

House Bill 832 (AS PASSED HOUSE AND SENATE)

By: Representatives Gullett of the 19<sup>th</sup>, New of the 40<sup>th</sup>, Kelley of the 16<sup>th</sup>, Smith of the 18<sup>th</sup>,  
and Momtahan of the 17<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To provide a homestead exemption from Paulding County school district ad valorem taxes  
2 for educational purposes in an amount equal to the amount by which the current year  
3 assessed value of a homestead exceeds the adjusted base year assessed value of such  
4 homestead; to provide for definitions; to specify the terms and conditions of the exemption  
5 and the procedures relating thereto; to provide for applicability; to provide for compliance  
6 with constitutional requirements; to provide for a referendum, effective dates, automatic  
7 repeal, mandatory execution of election, and judicial remedies regarding failure to comply;  
8 to provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 (a) As used in this Act, the term:

12 (1) "Ad valorem taxes" means all ad valorem taxes levied by, for, or on behalf of the  
13 Paulding County school district for educational purposes, except for any ad valorem taxes  
14 levied to pay interest on and to retire bonded indebtedness.

15 (2) "Adjusted base year assessed value" means the sum of:

16 (A) The previous adjusted base year assessed value;

(B) An amount equal to the difference between the current year assessed value of the homestead and the base year assessed value of the homestead, provided that such amount shall not exceed the total of the previous adjusted base year assessed value of the homestead multiplied by the inflation rate for the prior year; and

(C) The value of any substantial property change, provided that no such value added improvements to the homestead shall be duplicated as to the same addition or improvement.

(3) "Base year assessed value" means:

(A) With respect to an exemption under this section which is first granted to a person on such person's homestead for the 2027 taxable year, the assessed value for taxable year 2024, including any final determination of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., of the homestead; or

(B) In all other cases, the assessed value, including any final determination of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., of the homestead from the taxable year immediately preceding the taxable year in which the exemption under this section is first granted to the applicant.

(4) "Homestead" means homestead as defined and qualified in Code Section 48-5-40 of the O.C.G.A., as amended.

(5) "Inflation rate" means the annual inflationary index rate as determined for a given year by the Paulding County tax commissioner in accordance with subsection (f) of this section.

(6) "Previous adjusted base year assessed value" means:

(A) With respect to the year for which the exemption under this section is first granted to a person on such person's homestead, the base year assessed value; or

(B) In all other cases, the adjusted base year assessed value of the homestead as calculated in the taxable year immediately preceding the current year, including any

final determination of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A.

(7) "Substantial property change" means any increase or decrease in the assessed value of a homestead derived from additions or improvements to, or the removal of real property from, the homestead which occurred after the year in which the base year assessed value is determined for the homestead. The assessed value of the substantial property changes shall be established following any final determination of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A.

(b)(1) Subject to the limitations provided in this section, each resident of the Paulding County school district is granted an exemption on that person's homestead from ad valorem taxes in an amount equal to the amount by which the current year assessed value of that homestead, including any final determination of value on appeal pursuant to Code Section 48-5-311, exceeds its previous adjusted base year assessed value.

(2) Except as provided for in subsection (c) of this section, no exemption provided for in this subsection shall transfer to any subsequent owner of the property, and the assessed value of the property shall be as provided by law.

(c) No person shall receive the exemption granted by subsection (b) of this section unless such person or person's agent files an application with the tax commissioner of Paulding County as will enable the tax commissioner to make a determination regarding the initial and continuing eligibility of such person for such exemption; provided, however, that any person who had previously applied for a homestead exemption, was allowed such homestead exemption for the 2026 tax year, and remains eligible for a homestead exemption for that same homestead property in the 2027 tax year shall be automatically allowed the exemption granted under subsection (b) of this section for that homestead without further application. The tax commissioner shall provide application forms for this purpose.

(d) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year to year so long as the person granted the homestead exemption under subsection (b) of this section occupies the residence as a homestead. After such person has filed the proper application as provided in subsection (c) of this section, it shall not be necessary to make application thereafter for any year, and such exemption shall continue to be allowed to such person. It shall be the duty of any such person granted the homestead exemption under subsection (b) of this section to notify the tax commissioner of Paulding County in the event that such person for any reason becomes ineligible for such exemption. The unremarried surviving spouse of the person who has been granted the exemption provided for in subsection (b) of this section shall continue to receive the exemption provided under subsection (b) of this section, so long as that unremarried surviving spouse continues to occupy the home as a residence and homestead.

(e)(1) The exemption granted by subsection (b) of this section shall not apply to or affect any state ad valorem taxes, county ad valorem taxes for county purposes, independent school district ad valorem taxes for educational purposes, or municipal ad valorem taxes for municipal purposes.

(2) Except as otherwise provided in paragraph (3) of this subsection, the homestead exemption granted by subsection (b) of this section shall be in addition to and not in lieu of any other homestead exemption applicable to ad valorem taxes.

(3) The homestead exemption granted by subsection (b) of this section shall not be applied in addition to any other base year value homestead exemption provided by law with respect to the Paulding County school district. In any such event, the Paulding County tax commissioner shall apply only the base year value homestead exemption that is larger or more beneficial for the taxpayer with respect to the Paulding County school district.

(f) For the purposes of this section, the Paulding County tax commissioner shall utilize the Georgia Department of Revenue's promulgated standardized method for determining annual inflationary index rates which reflect the effects of inflation and deflation on the cost of living for residents of this state for a given calendar year. Such method may utilize the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor or any other similar index established by the federal government if the Paulding County tax commissioner determines that such federal index fairly reflects the effects of inflation and deflation on residents of this state.

(g) The exemption granted by subsection (b) of this section shall apply to all taxable years beginning on or after January 1, 2027.

## **SECTION 2.**

In accordance with the requirements of Article VII, Section II of the Constitution of the State of Georgia, this Act shall not become law unless it receives the requisite two-thirds' majority vote in both the Senate and the House of Representatives.

## **SECTION 3.**

The election superintendent of Paulding County shall call and conduct an election as provided in this section for the purpose of submitting this Act to the electors of the Paulding County school district for approval or rejection. The election superintendent shall conduct that election on the date of the 2026 general primary and shall issue the call and conduct that election as provided by general law. The election superintendent shall cause the date and purpose of the election to be published once a week for two weeks immediately preceding the date thereof in the official organ of Paulding County. The ballot shall have written or printed thereon the words:

118      "( ) YES      Shall the Act be approved which provides a homestead exemption from  
119                      Paulding County school district ad valorem taxes for educational purposes  
120      ( ) NO      in an amount equal to the amount by which the current year assessed value  
121                      of a homestead exceeds the adjusted base year assessed value, including any  
122                      final determination of value on appeal pursuant to Code Section 48-5-311  
123                      of the O.C.G.A., as amended, of such homestead?"

124 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring  
125 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on  
126 such question are for approval of the Act, Section 1 of this Act shall become of full force and  
127 effect on January 1, 2027. If the Act is not so approved or if the election is not conducted  
128 as provided in this section, Section 1 of this Act shall not become effective, and this Act shall  
129 be automatically repealed on the 365th calendar day following the election date provided for  
130 in this section. The expense of such election shall be borne by Paulding County. It shall be  
131 the election superintendent's duty to certify the result thereof to the Secretary of State. The  
132 provisions of this section shall be mandatory upon the election superintendent and are not  
133 intended as directory. If the election superintendent fails or refuses to comply with this  
134 section, any elector of the Paulding County school district may apply for a writ of mandamus  
135 to compel the election superintendent to perform his or her duties under this section. If the  
136 court finds that the election superintendent has not complied with this section, the court shall  
137 fashion appropriate relief requiring the election superintendent to call and conduct such  
138 election on the date required by this section or on the next date authorized for special  
139 elections provided for in Code Section 21-2-540 of the O.C.G.A.

## 140 SECTION 4.

141 Except as otherwise provided in Section 3 of this Act, this Act shall become effective upon  
142 its approval by the Governor or upon its becoming law without such approval.

143

**SECTION 5.**

144 All laws and parts of laws in conflict with this Act are repealed.