

House Bill 439 (AS PASSED HOUSE AND SENATE)

By: Representatives Yeara of the 152<sup>nd</sup>, Dickey of the 134<sup>th</sup>, Williams of the 148<sup>th</sup>, Anderson of the 10<sup>th</sup>, Kelley of the 16<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 36 of the Official Code of Georgia Annotated, relating to local government  
2 so as to authorize the establishment of local homeowner's incentive adjustment grant  
3 programs; to provide definitions; to provide constitutional authorization; to provide for  
4 referendums to establish and discontinue such programs; to provide for the appropriation of  
5 funds to support such programs; to provide for the calculation, application, and limitations  
6 on tax credits; to provide for rules and regulations; to provide for recoverability; to amend  
7 Article 7 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to  
8 miscellaneous local administrative provisions, so as to authorize the establishment of local  
9 homeowner's incentive adjustment grant funds; to provide for an effective date; to provide  
10 for related matters; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended  
14 by adding a new chapter to read as follows:

15 "CHAPTER 89A

16 36-89A-1.

17 As used in this chapter, the term:

18 (1) 'Applicable rollback' means a:

19 (A) Rollback of an ad valorem tax millage rate pursuant to subsection (a) of Code  
20 Section 48-8-91 in a county or municipality that levies a local option sales tax;

21 (B) Rollback of an ad valorem tax millage rate pursuant to subparagraph (c)(2)(C) of  
22 Code Section 48-8-104 in a county or municipality that levies a homestead option sales  
23 tax;

24 (C) Reduction of an ad valorem tax millage rate pursuant to the development of a  
25 service delivery strategy under Code Section 36-70-24; and

26 (D) Reduction of an ad valorem tax millage rate pursuant to paragraph (2) of  
27 subsection (a) of Code Section 33-8-8.3 in a county that collects insurance premium  
28 tax.

29 (2) 'County millage rate' means the net ad valorem tax millage rate, after deducting  
30 applicable rollbacks, levied by a county for county purposes and applying to qualified  
31 homesteads in the county, including any millage levied for those special districts reported  
32 on the 2026 ad valorem tax digest certified to and received by the state revenue  
33 commissioner on or before December 31, 2026, but not including any millage levied for  
34 purposes of bonded indebtedness and not including any millage levied on behalf of a  
35 county school district for educational purposes.

36 (3) 'Eligible assessed value' means a certain stated amount of the assessed value of each  
37 qualified homestead in the state.

38 (4) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a  
39 county or municipality which levies ad valorem taxes.

40 (5) 'Local homeowner's incentive adjustment grant fund' means the fund established by  
41 the participating local government pursuant to Code Section 48-5-381.1.

42 (6) 'Municipal millage rate' means the net ad valorem tax millage rate, after deducting  
43 applicable rollbacks, levied by a municipality for municipal purposes and applying to  
44 qualified homesteads in the municipality, but not including any millage levied for those  
45 special tax districts reported on the 2026 City and Independent School Millage Rate  
46 Certification certified to and received by the state revenue commissioner on or before  
47 December 31, 2026, any millage levied for purposes of bonded indebtedness, or any  
48 millage levied on behalf of an independent school district for educational purposes.

49 (7) 'Participating local government' means a county or municipality wherein the voters  
50 have approved a local homeowner's incentive adjustment grant program pursuant to Code  
51 Section 36-89A-2 and that has established a local homeowner's incentive adjustment  
52 grant fund.

53 (8) 'Qualified homestead' means a homestead qualified for any exemption, state, county,  
54 or school, authorized under Code Section 48-5-44.

55 36-89A-2.

56 (a) This chapter is enacted pursuant to Article VII, Section IIA, Paragraph I of the  
57 Constitution to provide a mechanism for counties and municipalities to establish local  
58 homeowner's incentive adjustment programs so as to reduce the tax burden upon qualified  
59 homesteads within participating local governments.

60 (b) Any county or municipality that wishes to establish a local homeowner's incentive  
61 adjustment program pursuant to this chapter shall first submit a referendum to the electors  
62 of such jurisdiction with the question of whether or not such program shall be established.  
63 The call for and conduct of any such election shall be in the manner authorized under Code  
64 Section 21-2-540. All persons desiring to vote in favor of the local homeowner's incentive  
65 adjustment program shall vote 'Yes' and all persons opposed to such program shall vote

66 'No.' If more than one-half of the votes cast are in favor of the local homeowner's incentive  
67 adjustment program, then such program shall go into effect for the next fiscal year for the  
68 participating local government.

69 (c) When the electors of a jurisdiction approve a local homeowner's incentive adjustment  
70 program, and a county or municipality becomes a participating local government, the local  
71 homeowner's incentive adjustment program shall not be discontinued until the electors of  
72 the participating local government approve the discontinuation of such program in a  
73 referendum. The call for and conduct of any such election shall be in the manner  
74 authorized under Code Section 21-2-540. All persons desiring to vote in favor of  
75 discontinuing the local homeowner's incentive adjustment program shall vote 'Yes' and all  
76 persons opposed to discontinuing such program shall vote 'No.' If more than one-half of  
77 the votes cast are in favor of discontinuing the local homeowner's incentive adjustment  
78 program, then such program shall be discontinued at the end of the next fiscal year. If  
79 more than one-half of the votes cast are opposed to discontinuing the local homeowner's  
80 incentive adjustment program, then such program shall continue to operate in a manner  
81 consistent with this chapter.

82 36-89A-3.

83 (a) Subject to the limitations of subsection (b) of this Code section, in each fiscal year  
84 beginning after a county or municipality becomes a participating local government, the  
85 governing authority of such government shall appropriate to the local homeowner's  
86 incentive adjustment grant fund for such government funds to provide homeowner's  
87 incentive adjustment credits to qualifying homestead properties in the county or  
88 municipality.

89 (b) For each fiscal year beginning after a county or municipality becomes a participating  
90 local government, no funds shall be appropriated under subsection (a) of this Code section  
91 unless the actual revenues collected by such government in the preceding fiscal year

92 exceeded appropriations enumerated in the budget ordinance or resolution, as amended,  
93 adopted by such government for such preceding fiscal year, and the amount of estimated  
94 total revenues available for appropriation in the budget ordinance or resolution for the next  
95 fiscal year are equal to or exceed such actual collections for the preceding fiscal year.

96 36-89A-4.

97 (a)(1) When funds are appropriated as provided in Code Section 36-89A-3, such grants  
98 shall be allotted by the participating local government as follows:

99 (A) Immediately following the actual preparation of ad valorem property tax bills, the  
100 county fiscal authority of a participating county shall calculate the total amount of tax  
101 revenue which would be generated by applying the county millage rates to the eligible  
102 assessed value of each qualified homestead in the county. The fiscal authority shall  
103 then determine the amount of funds in the county's local homeowner's incentive  
104 adjustment grant fund and calculate the amount of the adjustment credit that may be  
105 provided from such fund to each qualified homestead in the county up to the taxpayer's  
106 ad valorem property tax liability on the homestead. The total amount of actual  
107 adjustment credit shall be applied as a tax credit given to each qualified homestead in  
108 the county; or

109 (B) Immediately following the actual preparation of ad valorem property tax bills, the  
110 fiscal authority of a participating municipality shall calculate the total amount of tax  
111 revenue which would be generated by applying the municipal millage rate to the  
112 eligible assessed value of each qualified homestead in the municipality. The fiscal  
113 authority shall then determine the amount of funds in the municipality's local  
114 homeowner's incentive adjustment grant fund and calculate the amount of the  
115 adjustment credit that may be provided from such fund to each qualified homestead in  
116 the municipality up to the taxpayer's ad valorem property tax liability on the homestead.

117 whichever is lower. The total amount of actual adjustment credit shall be applied as a  
118 tax credit given to each qualified homestead in the municipality.

119 (2) Credit amounts computed under paragraph (1) of this subsection shall be applied to  
120 reduce the otherwise applicable tax liability on a dollar-for-dollar basis, but the credit  
121 granted shall not in any case exceed the amount provided for in the Constitution or of the  
122 otherwise applicable tax liability after the granting of all applicable homestead  
123 exemptions, except for any homestead exemption under Article 2A of Chapter 8 of Title  
124 48, the 'Homestead Option Sales and Use Tax Act,' as amended, and after the granting  
125 of all applicable millage rollbacks.

126 (3) Credit amounts computed under paragraph (1) of this subsection shall not be  
127 computed so as to result in the value of the credits to be granted exceeding the amount  
128 of funds in the local homeowner's incentive adjustment grant fund of the participating  
129 local government.

130 (b) The grant of funds by a county shall be conditioned on the county's fiscal authority  
131 reducing each qualified homestead's otherwise applicable liability for county taxes for  
132 county purposes by a credit amount calculated in subparagraph (a)(1)(A) of this Code  
133 section.

134 (c) The grant of funds by a municipality shall be conditioned on the municipality's fiscal  
135 authority reducing each qualified homestead's otherwise applicable liability for municipal  
136 taxes by a credit amount calculated in subparagraph (a)(1)(B) of this Code section.

137 (d) Each fiscal authority shall show the credit amount on the tax bill.

138 36-89A-5.

139 The state revenue commissioner shall adopt rules and regulations for the administration of  
140 this chapter, including specific instructions to participating local governments on  
141 developing and preparing the forms necessary for the administration of a program pursuant  
142 to this chapter.

143 36-89A-6.  
144 Any credit under this chapter which is erroneously or illegally granted shall be recoverable  
145 by the political subdivision granting such credit in the same manner as any other delinquent  
146 tax."

147 **SECTION 2.**

148 Article 7 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to  
149 miscellaneous local administrative provisions, is amended by adding a new Code section to  
150 read as follows:

151 "48-5-381.1.

152 (a) Whenever the governing authority of any county or municipality determines that it is  
153 impractical to expend the funds raised by taxation for the purposes for which the taxes were  
154 levied and that it is in the best interest of the county or municipality and its citizens and  
155 taxpayers for public work to be postponed until more advantageous conditions prevail, the  
156 governing authority may order as much of the funds as it deems proper transferred to a  
157 fund to be known as the 'local homeowner's incentive adjustment grant fund' of the county  
158 or municipality. The local homeowner's incentive adjustment grant fund may be deposited  
159 in the manner provided by law or may be invested in obligations of the United States.

160 (b) A county or municipal governing authority may transfer from time to time to its local  
161 homeowner's incentive adjustment grant fund any accumulated overage in its general fund.

162 (c) The county or municipal local homeowner's incentive adjustment grant fund shall be  
163 held until the governing authority determines that it is practical and advantageous to  
164 undertake a local homeowner's incentive adjustment program pursuant to Chapter 89A of  
165 Title 36. Upon the determination, the governing authority may order funds transferred  
166 from the local homeowner's incentive adjustment grant fund to any of the several funds or  
167 to the general fund of the county or municipality so as to off set any homeowner's incentive  
168 adjustments approved by such governing authority.

169 (d) The existence of a county or municipal local homeowner's incentive adjustment grant  
170 fund shall not prevent tax levies from being made by the governing authority for the several  
171 purposes authorized by law at such rates as are necessary for the current or anticipated  
172 needs of the county or municipality to the same extent the governing authority could  
173 lawfully levy if no local homeowner's incentive adjustment grant fund was in existence.  
174 (e) When any county or municipal local homeowner's incentive adjustment grant fund is  
175 established, it shall be the duty of the governing authority to expend the fund pursuant to  
176 the provisions of Chapter 89A of Title 36. If such a program is not established or is  
177 discontinued, the local homeowner's incentive adjustment grant fund shall be closed and  
178 any remaining funds shall be deposited in the county or municipal general fund.  
179 (f) The provisions of this Code section are in addition to and not in lieu of the  
180 establishment of a reserve fund pursuant to Code Section 48-5-381."

181 **SECTION 3.**

182 This Act shall become effective on January 1, 2027.

183 **SECTION 4.**

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