

House Bill 423 (AS PASSED HOUSE AND SENATE)

By: Representatives Bazemore of the 63rd, Bruce of the 61st, Jackson of the 64th, and Boddie of the 62nd

A BILL TO BE ENTITLED
AN ACT

1 To provide for a new homestead exemption from City of South Fulton ad valorem taxes for
2 municipal purposes in an amount equal to the amount by which the current year assessed
3 value of a homestead exceeds the adjusted base year assessed value of such homestead; to
4 provide for definitions; to specify the terms and conditions of the exemption and the
5 procedures relating thereto; to provide for related matters; to provide for compliance with
6 constitutional requirements; to provide for applicability; to provide for a referendum,
7 effective dates, and automatic repeal; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

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

11 (1) "Adjusted base year value" means the previous adjusted base year value adjusted
12 annually by the lesser of 3 percent or the inflation rate, plus any change in homestead
13 value, provided that no such change in homestead value shall be duplicated as to the same
14 addition or improvement.

15 (2) "Change in homestead value" means value, including any final determination of
16 value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, derived
17 from additions or improvements to, or the removal of real property of, the homestead
18 after the lowest base year value is determined.

19 (3) "Homestead" means homestead as defined and qualified in Code Section 48-5-40 of
20 the O.C.G.A., as amended, with the additional qualification that it shall include only the
21 primary residence and not more than five contiguous acres of land immediately
22 surrounding such residence.

23 (4) "Inflation rate" means the Consumer Price Index for all urban consumers, U.S. City
24 Average, all items 1967-100, or a successor index as reported by the United States
25 Department of Labor Bureau of Labor statistics.

26 (5) "Lowest base year value" means:

27 (A) Among the 2016, 2017, and 2018 taxable years, the lowest assessed value,
 28 including any final determination of value on appeal pursuant to Code Section 48-5-311
 29 of the O.C.G.A., as amended, of the homestead, with such assessed value being
 30 multiplied by 1.0423, which number represents inflation rate data for December, 2015,
 31 through December, 2017, with respect to an exemption under this Act which is first
 32 granted to a person on that person's homestead in the 2020 taxable year or who
 33 thereafter reapplies for and is granted such exemption in the 2021 taxable year, or
 34 thereafter, solely because of a change in ownership to a joint tenancy with right of
 35 survival; or

36 (B) In all other cases, the lower of the assessed value, including any final determination
 37 of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of
 38 the homestead, from the taxable year immediately preceding the taxable year in which
 39 the exemption under this Act is first granted to the most recent owner of such
 40 homestead or the assessed value, including any final determination of value on appeal
 41 pursuant to Code Section 48-5-311 of the O.C.G.A., as amended, of the homestead,
 42 from the taxable year in which the exemption under this Act is first granted to the most
 43 recent owner of such homestead, with respect to an exemption under this Act which is
 44 first granted to a person on that person's homestead in the 2021 taxable year or who
 45 thereafter reapplies for and is granted such exemption in the 2022 taxable year, or
 46 thereafter, solely because of a change in ownership to a joint tenancy with right of
 47 survival.

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

49 (A) With respect to an exemption under this Act that is first granted to a person on that
 50 person's homestead, the lowest base year value; or

51 (B) In all other cases, the adjusted base year value as calculated in the taxable year
 52 immediately preceding the current year.

53 (7) "Property taxes for municipal purposes" means all ad valorem taxes for municipal
 54 purposes levied by, for, or on behalf of the City of South Fulton, but excluding any ad
 55 valorem taxes to pay interest on and to retire municipal bonded indebtedness.

56 (b) Each resident of the City of South Fulton is granted an exemption on that person's
 57 homestead from City of South Fulton property taxes for municipal purposes in an amount
 58 equal to the amount by which the current year assessed value, including any final
 59 determination of value on appeal pursuant to Code Section 48-5-311 of the O.C.G.A., as
 60 amended, of that homestead exceeds the adjusted base year value of the homestead. The
 61 value of that property in excess of such exempted amount shall remain subject to taxation.

62 (c) The surviving spouse of the person who has been granted the exemption provided for
 63 in subsection (b) of this section shall continue to receive the exemption provided under

64 subsection (b) of this section, so long as that surviving spouse continues to occupy the
65 home as a residence and homestead.

66 (d) A person shall not receive the homestead exemption granted by subsection (b) of this
67 section unless the person or person's agent files an application with the governing authority,
68 or its designee, of the City of South Fulton giving such information relative to receiving
69 such exemption as will enable the governing authority, or its designee, to make a
70 determination regarding the initial and continuing eligibility of such owner for such
71 exemption. The governing authority, or its designee, of the City of South Fulton shall
72 provide application forms for this purpose.

73 (e) The exemption shall be claimed and returned as provided in Code Section 48-5-50.1
74 of the O.C.G.A., as amended. The exemption shall be automatically renewed from year
75 to year so long as the owner occupies the residence as a homestead. After a person has
76 filed the proper application as provided in subsection (d) of this section, it shall not be
77 necessary to make application thereafter for any year and the exemption shall continue to
78 be allowed to such person. It shall be the duty of any person granted the homestead
79 exemption under subsection (b) of this section to notify the governing authority, or its
80 designee, of the City of South Fulton in the event that person for any reason becomes
81 ineligible for that exemption.

82 (f) The exemption granted by subsection (b) of this section shall not apply to or affect state
83 ad valorem taxes, municipal or independent school district ad valorem taxes for educational
84 purposes, or county ad valorem taxes for county purposes. The homestead exemption
85 granted by subsection (b) of this section shall be in addition to and not in lieu of any other
86 homestead exemption applicable to property taxes for educational purposes.

87 (g) The exemption granted by subsection (b) of this section shall apply to all taxable years
88 beginning on or after January 1, 2020.

89 **SECTION 2.**

90 In accordance with the requirements of Article VII, Section II, Paragraph II(a)(1) of the
91 Constitution of the State of Georgia, this Act shall not become law unless it receives the
92 requisite two-thirds' majority vote in both the Senate and the House of Representatives.

93 **SECTION 3.**

94 The municipal election superintendent of the City of South Fulton shall call and conduct an
95 election as provided in this section for the purpose of submitting this Act to the electors of
96 the City of South Fulton for approval or rejection. The municipal election superintendent
97 shall conduct such election on November 5, 2019, and shall issue the call and conduct such
98 election as provided by general law. The municipal election superintendent shall cause the

99 date and purpose of the election to be published once a week for two weeks immediately
 100 preceding the date thereof in the official organ of the City of South Fulton. The ballot shall
 101 have written or printed thereon the words:

102 " YES Do you approve a new homestead exemption from City of South Fulton
 103 property taxes for municipal purposes in the amount of the difference
 104 NO between the current year assessed value of a home and its lowest base year
 105 value, provided that the lowest base year value will be adjusted yearly by
 106 the lesser of 3 percent or the inflation rate?"

107 All persons desiring to vote for approval of the Act shall vote "Yes," and those persons
 108 desiring to vote for rejection of the Act shall vote "No." If more than one-half of the votes
 109 cast on such question are for approval of the Act, Section 1 of this Act shall become of full
 110 force and effect on January 1, 2020. If the Act is not so approved or if the election is not
 111 conducted as provided in this section, Section 1 of this Act shall not become effective and
 112 this Act shall be automatically repealed on the first day of January immediately following
 113 that election date. The expense of such election shall be borne by the City of South Fulton.
 114 It shall be the municipal election superintendent's duty to certify the result thereof to the
 115 Secretary of State.

116 **SECTION 4.**

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

119 **SECTION 5.**

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