

House Bill 1582 (AS PASSED HOUSE AND SENATE)

By: Representatives Bonner of the 73rd, Mathiak of the 82nd, Jackson of the 68th, and Bazemore of the 69th

A BILL TO BE ENTITLED
AN ACT

1 To provide a homestead exemption from Fayette County school district ad valorem taxes for
2 educational purposes in a floating proportional amount based upon any increased property
3 tax collections that exceed the value of property taxes collected in tax year 2025; to provide
4 for definitions; to specify the terms and conditions of the exemption and the procedures
5 relating thereto; to provide for applicability; to provide for compliance with constitutional
6 requirements; to provide for a referendum, effective dates, automatic repeal, mandatory
7 execution of election, and judicial remedies regarding failure to comply; to provide for
8 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 for educational purposes" means all ad valorem taxes for
13 educational purposes levied by, for, or on behalf of the Fayette County school district,
14 including, but not limited to, any ad valorem taxes to pay interest on and to retire county
15 school district bonded indebtedness.

16 (2) "Base year" means the taxable year beginning on January 1, 2025.

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

(b) Each resident of the Fayette County school district is granted an exemption on such person's homestead from Fayette County school district ad valorem taxes for educational purposes in an amount authorized by and calculated pursuant to subsection (c) of this section as determined by the tax commissioner of Fayette County in coordination with the Fayette County Board of Education. Such homestead exemption shall commence on January 1, 2027. The value of that property in excess of such exempted amount shall remain subject to taxation.

(c)(1) In any tax year subsequent to the base year, the tax commissioner of Fayette County shall determine the amount of ad valorem taxes for educational purposes collected from all properties that is in excess of the ad valorem taxes for educational purposes collected from all properties in the base year.

(2) If the excess amount of ad valorem taxes for educational purposes collected from all properties in a particular tax year exceeds 100 percent of the ad valorem taxes for educational purposes collected from all properties in the base year, the full value of such tax collections exceeding such amount shall be segregated from all other proceeds of the ad valorem taxes for educational purposes collected in such tax year, and such segregated funds shall be maintained to offset the cost of the exemption provided by this Act in the next subsequent tax year. As soon as the tax digest for the next subsequent tax year is approved, the Fayette County Board of Education in coordination with the tax commissioner of Fayette County, shall calculate the dollar value to be equally applied to all properties receiving the exemption provided for by this Act in such next subsequent tax year. The value of the exemption to be provided each year shall be at the discretion of the Fayette County Board of Education and which value may be set at an amount that does not use all of the segregated funds provided for in this paragraph. In the event that the value of the exemption set in a particular year does not use all of the segregated funds, the

remainder of such funds shall be deposited in the general fund of the school district. In no event shall the value of the exemption be set at an amount that would exceed the value of the segregated funds provided for in this subparagraph for a particular year. The tax commissioner of Fayette County shall then provide such segregated amount from the previous tax year, plus any interest earned on such segregated funds, to the Fayette County Board of Education to be utilized as provided for in this subparagraph.

(3) If the excess amount of ad valorem taxes for educational purposes collected from all properties in a particular tax year is negative or does not exceed 100 percent of the ad valorem taxes for educational purposes collected from all properties in the base year, the value of the homestead exemption provided by this Act for the next subsequent tax year shall be zero dollars.

(d) A person shall not receive the homestead exemption granted by subsection (b) of this section unless such person or person's agent files an application with the tax commissioner of Fayette County, giving such information relative to receiving such exemption as will enable the tax commissioner of Fayette County to make a determination regarding the initial and continuing eligibility of such person for such exemption. The tax commissioner of Fayette County shall provide application forms for this purpose.

(e) 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 such residence as a homestead. After a person has filed the proper application as provided in subsection (d) 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 person granted the homestead exemption under subsection (b) of this section to notify the tax commissioner of Fayette County in the event that such person for any reason becomes ineligible for such exemption.

(f) 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, municipal ad valorem taxes for municipal purposes, or independent school district ad valorem taxes for educational purposes. 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 Fayette County school district ad valorem taxes for educational purposes.

(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 Fayette County shall call and conduct an election as provided in this section for the purpose of submitting this Act to the electors of the Fayette County school district for approval or rejection. The election superintendent shall conduct that election on the Tuesday following the first Monday in November, 2026, 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 Fayette County. The ballot shall have written or printed thereon the words:

91 "() YES Shall the Act be approved which provides a homestead exemption from
92 Fayette County school district ad valorem taxes for educational purposes in
93 () NO a floating proportional amount based upon the amount of property taxes
94 collected in a particular tax year that exceeds the value of property taxes
95 collected in tax year 2025?"

96 All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
97 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on
98 such question are for approval of the Act, Section 1 of this Act shall become of full force and
99 effect on January 1, 2027. If the Act is not so approved or if the election is not conducted
100 as provided in this section, Section 1 of this Act shall not become effective, and this Act shall
101 be automatically repealed on the 365th calendar day following the election date provided for
102 in this section. The expense of such election shall be borne by Fayette County. It shall be
103 the election superintendent's duty to certify the result thereof to the Secretary of State. The
104 provisions of this section shall be mandatory upon the election superintendent and are not
105 intended as directory. If the election superintendent fails or refuses to comply with this
106 section, any elector of the Fayette County school district may apply for a writ of mandamus
107 to compel the election superintendent to perform his or her duties under this section. If the
108 court finds that the election superintendent has not complied with this section, the court shall
109 fashion appropriate relief requiring the election superintendent to call and conduct such
110 election on the date required by this section or on the next date authorized for special
111 elections provided for in Code Section 21-2-540 of the O.C.G.A.

112 SECTION 4.

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

115

SECTION 5.

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