

# HB 1116

Homeownership Opportunity and Market Equalization Act of 2026 (HOME) Act

**AS PASSED THE HOUSE**

Substitute: LC 33 9902S

Revised: March 6, 2026

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**Summary: As Passed the House of Representatives HB 1116 (Version - LC 33 9902S)**

## Part I. The HOME Act

### Section 1-1: The Homeownership Opportunity and Market Equalization Act of 2026

## Part II. Local Sales Tax Limitations

### Section 2-1: Local Sales and Use Tax Cap

A. Effective January 1, 2028:

An overall sales tax cap of 5% in local sales tax will remain; however, the current categorical limitations on the use of 3 of the 5 pennies (education related, transportation related, and other) will be removed.

B. Exceptions to the 5% overall cap:

MARTA, MOST, and RHOST are excluded, which would allow all of Fulton, Dekalb, Clayton, and Rockdale to have a local sales tax rate of up to 6%, and within the city limits of Atlanta, College Park, East Point, and Centennial Yards, the maximum rate would be 7%.

### Section 2-2:

Addresses a cross-reference of the sales tax cap to the water and sewer projects tax (MOST).

### Section 2-3:

Addresses a cross-reference of the sales tax cap related to jurisdictions with both the hotel-motel tax and the water and sewer projects tax (MOST).

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### **PART III. Effective January 1, 2028: Optional Conversion of FLOST; Automatic Elimination and Conversion of LOST, HOST, EHOST, and RHOST.**

#### **Section 3-1 – LOST - Automatic Elimination and Conversion to LHOST**

#### **Section 3-2 – HOST - Automatic Elimination and Conversion to LHOST**

#### **Section 3-3 – EHOST - Automatic Elimination and Conversion to LHOST**

#### **Section 3-4 – RHOST - Automatic Elimination and Conversion to LHOST**

#### **Section 3-5 – FLOST – Optional Conversion of FLOST to LHOST**

For a county that levies a FLOST as of December 31, 2027, the FLOST may be converted on or after January 1, 2028—following approval in a local referendum to an LHOST. Proceeds remaining before the conversion would be distributed pursuant to the existing intergovernmental agreement but used for the purpose of homestead property tax relief. This Section does not go into detail on how the local referendum and conversion process would be initiated.

### **Part IV. Local Homestead Option Sales Tax (LHOST)**

#### **Section 4-1:**

- A. Purpose: To provide for "homestead property tax relief."
- B. Rate and Duration:
  - 1. A flat rate of 1%.
  - 2. The tax may run for up to ten years before renewal.
  - 3. Every LHOST expires on December 31, 2027, but then is automatically renewed for ten years, unless the General Assembly passes a local Act to block this renewal.
- C. Eligibility:
  - 1. Counties and cities, provided that they actually levy and collect property taxes.
  - 2. Notwithstanding #1, regardless of whether a local government has ever levied a property tax, if the local government has received LOST or FLOST proceeds, they can set a millage rate to obtain funds from LHOST.
  - 3. Consolidated governments may be excluded from LHOST per Line 191.

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D. Enacting the LHOST:

1. May commence on or after January 1, 2028.
2. A local referendum is not required.
3. The county must provide notice to and hold a meeting with the municipalities within the county in an attempt to reach an intergovernmental agreement related to the LHOST. If the governing authority or authorities of cities that represent 50 percent of the special district's municipal residents reach an agreement with the county, the LHOST may largely be distributed and disbursed in whatever manner that the parties agree to.
4. If no agreement is reached within 60 days of the mailing of such notice, then the county adopts an ordinance to impose the LHOST at the rate necessary to provide homestead relief (this is a leftover provision from a prior draft as the current version has the rate at 1 percent) and distribute the proceeds in a manner to provide homestead property tax relief (this version removes the formula for determining the proportional share of proceeds, so it is unclear how proceeds would be allocated).

E. Collection, Remittance, Accounting, Distribution, and Disbursements:

1. Collection and Remittance:

The funds are collected by the state revenue commissioner along with other sales taxes and remitted on a regular basis to the county.

2. Accounting:

- i. For local governments with an agreement, whatever the parties have decided.
- ii. For local governments without an agreement, the funds are deposited in interest-bearing accounts for each local government.

3. Distribution / Allocation of Proceeds:

- i. For local governments with an agreement: whatever the parties have decided.
- ii. For local governments without an agreement: it is unclear when, how, and under what basis, the funds are distributed.

4. Disbursements:

- i. For local governments with an agreement: however and whenever the parties have decided.
- ii. For local governments without an agreement, there do not appear to be any default provisions for disbursements.

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F. Use of Proceeds; Excess Proceeds:

1. Generally, funds are to be used for "homestead property tax relief."
2. After funds are used for homestead property relief, the funds are used to provide property tax relief for nonhomestead properties.
3. Any remaining funds are to be used to provide government services under the supplementary powers provisions of the Constitution.

G. Renewals:

As of December 31, 2037, each LHOST in effect will automatically renew for ten years unless a local Act of the General Assembly provides otherwise.

H. Conversions:

On January 1, 2028, mandatory and automatic conversion, so that the proceeds of any existing LOST, HOST, EHOST, or RHOST are used for LHOST purposes. It is unclear how this conversion works with the conversions provided for in Part III of the Act. FLOST is treated differently—See Section 3-5 of the bill.

## Part V. Revenue and Budget Caps

### Section 5-1: Reserve Funds for Local Boards of Education

Increases the maximum allowable balance in reserve funds from 15% to 25%.

### Section 5-2: Budget Limits for School Systems

On and after January 1, 2028, no school system may adopt a budget resolution that would result in an increase in the revenue raised by the school system from property taxes based on its roll-back rate, unless approved by the voters in a local election OR through a local Act of the General Assembly; provided, however that:

1. The greater of 3 percent or the rate of inflation shall be allowed as an increase in property tax revenue without triggering the referendum or local Act requirement; and
2. Costs incurred by the school system due to federal, state, or local emergency declarations are excluded from the calculation.

### Section 5-3 and 5-4: Budget Limits for Local Governments

A. On and after January 1, 2028, no local government may adopt a budget resolution that would result in an increase in the revenue raised by the local government from property taxes based on its roll-back rate, unless approved by the voters in a local election OR through a local Act of the General Assembly; provided, however that:

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1. The greater of 3 percent or the rate of inflation shall be allowed as an increase in property tax revenue without triggering the referendum or local Act requirement; and
2. Costs incurred by the local government due to federal, state, or local emergency declarations are excluded from the calculation.

B. With respect to any mid-year budgets budget adjustment on or after January 1, 2028, the local government may increase their budget without needing a local referendum or a local Act, provided that the increase does not exceed the total of:

1. The greater of 3 percent or the rate of inflation; and
2. Costs incurred by the local government due to federal, state, or local emergency declarations.

### **Section 5-5: Homestead Exemption Application Window**

- A. Extends timeline for applying for homestead exemption to the final date to appeal the Notice of Assessment.
- B. Adds additional language that makes it clearer that it is the duty of the homeowner to report when they no longer are eligible for a homestead on the property.

## **Part VI. Required Local Referenda for Tax Increases**

### **Section 6-1.**

Establishes dates on which a local government may hold referenda required to increase the local government's revenue as the Tuesday after the first Monday each November; in odd-numbered years, the third Tuesday in March; and in even-numbered years the date of the general primary.

## **Part VII.**

### **Section 7-1. Notice to Taxpayers of Property Tax Increases**

Requires the governing authority of each taxing jurisdiction to mail a letter to each taxpayer if it intends to exceed the roll-back rate and to provide each taxpayer with an opportunity for oral testimony at the required public hearings.

Each notice shall include the following information:

1. The roll-back rate;
2. The proposed property tax revenue needed to fund the proposed budget;
3. The proposed millage rate based upon the proposed budget and the current year's total assessed valuation;

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4. The millage and property tax of the taxing jurisdiction on the taxpayer's property from the previous year's tax statement;
5. The proposed percent change in the millage rate between the previous year's tax rate and the proposed tax rate for the current year;
6. The appraised and assessed value of the taxpayer's property for the current year;
7. The estimates of the tax for the current tax year on the taxpayer's property based on the roll-back rate and the proposed millage rate; and
8. The dates, times, and locations of the public hearings.

Any governing authority that does not comply with the provisions must refund all taxes collected in excess of the roll-back rate.

## **Part VIII.**

### **Section 8-1.**

This Section would require municipal and school tax officials to assess the property owners of their respective jurisdictions annually by July 15. Under current law, these duties fall on the county board of tax assessors.

### **Section 8-2.**

Limits the ability to collect taxes owed by taxpayers who improperly receive homestead exemptions. It appears that the local tax official will assume a duty to prove that an improperly allowed homestead exemption was due to an intentional misrepresentation or fraudulent act by the taxpayer, in order to recover any of the improperly received tax benefits.

## **Part IX. Non-binding Referendum**

### **Section 9-1.**

This Section requires the state to hold a nonbinding referendum at the November, 2026, general election, to ask the following question:

"Should the State of Georgia provide complete property tax relief for homeowners by exemption homestead properties from ad valorem taxation by counties, municipalities, and local school systems?"

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## **Part X. Intended Use of Data Center Sales Tax Proceeds**

### **Part 10-1.**

This Section declares the intent of the General Assembly to appropriate as homestead property relief grants the state revenue expected when the current sales tax exemption for data centers expires on December 31, 2028.

## **Part XI.**

### **Section 11-1: Effective Date – On Governor's Signature**

### **Section 11-2: General Repealer**

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