

_____ offers the following
substitute to HB 1116:

A BILL TO BE ENTITLED
AN ACT

1 To amend Titles 20, 36, and 48 of the Official Code of Georgia Annotated, relating to
2 education, local government, and revenue and taxation, respectively, so as to provide for
3 property tax reform; to revise provisions regarding caps on local sales and use tax; to
4 eliminate the use of and to provide for the conversion of certain local sales and use taxes on
5 a date certain; to authorize conversion of the special district option sales and use tax; to
6 establish a Local Homestead Option Sales Tax (LHOST); to provide for imposition,
7 collection, and distribution of proceeds; to provide for the conversion from other sales and
8 use taxes; to increase the cap on reserve funds for local school systems; to require the
9 proposed annual operating budget resolution of a local board of education to be approved in
10 a referendum election if such resolution would increase certain revenues raised by the local
11 board of education by a certain amount; to provide that certain proposed increases in revenue
12 collections by local governments must be approved by the voters of such local government;
13 to revise provisions relating to application for homestead exemptions; to provide for
14 definitions; to amend Code Section 21-2-540 of the Official Code of Georgia Annotated,
15 relating to conduct and timing of special primaries and special elections generally, so as to
16 limit the dates of a special election presenting a question by a local government to increase
17 revenues; to revise provisions relating to certification of assessed taxable value of property
18 and method of computation, resolution or ordinance required for millage rate, and

19 advertisement of intent to increase property tax; to require municipal and school officials to
20 submit certain information relating to ad valorem taxes; to prohibit the retroactive assessment
21 of additional ad valorem taxes to a taxpayer due to an improperly or mistakenly applied
22 homestead exemption at no fault of the taxpayer; to provide for the holding of a nonbinding,
23 advisory referendum election to determine whether the qualified electors of the State of
24 Georgia desire to have complete property tax relief for homeowners by exempting homestead
25 properties from ad valorem taxation by counties, municipalities, and local school systems;
26 to provide for related matters; to provide for legislative intent regarding the appropriation of
27 certain sales tax revenue collected on and after January 1, 2029, on the sale or lease of
28 computer equipment to high-technology companies; to provide for short titles; to provide an
29 effective date; to repeal conflicting laws; and for other purposes.

30 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

31 **PART I**

32 **SECTION 1-1.**

33 This Act shall be known and may be cited as the "Homeownership Opportunity and Market
34 Equalization Act of 2026."

35 **PART II**

36 **SECTION 2-1.**

37 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to state sales and
38 use taxes, is amended by revising Code Section 48-8-6, relating to prohibition of political
39 subdivisions from imposing various taxes, ceiling on local sales and use tax, and taxation of
40 mobile telecommunications, as follows:

41 "48-8-6.

42 (a)(1) ~~Except~~ Until December 31, 2027, except as provided in this subsection, on and
43 after July 1, 2024, there shall not be imposed in any jurisdiction in this state or on any
44 transaction in this state local sales taxes, local use taxes, or local sales and use taxes in
45 excess of 2 percent. For purposes of such 2 percent limitation, the taxes affected are any
46 sales tax, use tax, or sales and use tax which is levied in an area consisting of less than
47 the entire state, however authorized, including such taxes authorized by or pursuant to
48 constitutional amendment, and regardless of whether another provision of law purports
49 to the contrary except for the following:

50 (A) A 1 percent sales and use tax for educational purposes exempted from such
51 limitation under Article VIII, Section VI, Paragraph IV of the Constitution;

52 (B) Up to 1 percent in aggregate of any of the transportation related sales and use taxes
53 authorized under Articles 5, 5A, and 5B of this chapter and Article 2 of Chapter 9 of
54 Title 32, and in a county in which a tax is levied and collected pursuant to Part 2 of
55 Article 2A of this chapter, any tax levied for purposes of a metropolitan area system of
56 public transportation, as authorized by the amendment to the Constitution set out at
57 Georgia Laws, 1964, page 1008, the continuation of such amendment under Article XI,
58 Section I, Paragraph IV(d) of the Constitution, and the laws enacted pursuant to such
59 constitutional amendment; and

60 (C) Up to 1 percent in aggregate of any sales and use taxes authorized under Code
61 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Part 3 of Article 3
62 of this chapter, and Article 4 of this chapter.

63 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
64 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
65 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
66 allowed to continue as authorized under laws that existed prior to July 1, 2025; provided,

67 however, that, upon the expiration or termination of any such tax, the jurisdiction that
68 levied such tax shall be fully subject to the limitations imposed by this subsection.

69 (3) This subsection shall not limit the imposition of any local excise tax, which is
70 separately authorized under Chapter 13 of this title.

71 (4) If the imposition of any otherwise authorized local sales tax, local use tax, or local
72 sales and use tax would result in a tax rate in excess of that authorized by this subsection,
73 then such otherwise authorized tax shall not be imposed.

74 (5) This subsection shall stand repealed and reserved on December 31, 2027.

75 (b)(1) On and after January 1, 2028, there shall not be imposed in any jurisdiction in this
76 state or on any transaction in this state local sales taxes, local use taxes, or local sales and
77 use taxes in excess of 5 percent. For purposes of such 5 percent limitation, the taxes
78 affected are any sales tax, use tax, or sales and use tax which is levied in an area
79 consisting of less than the entire state, however authorized, including such taxes
80 authorized by or pursuant to constitutional amendment, and regardless of whether another
81 provision of law purports to the contrary except for the following:

82 (A) Sales and use taxes levied and collected pursuant to Part 3 of Article 2A and
83 Article 4 of this chapter; and

84 (B) Any tax levied for purposes of a metropolitan area system of public transportation,
85 as authorized by the amendment to the Constitution set out at Georgia Laws, 1964,
86 page 1008, the continuation of such amendment under Article XI, Section I,
87 Paragraph IV(d) of the Constitution, and the laws enacted pursuant to such
88 constitutional amendment.

89 (2) This subsection shall not limit the imposition of any local excise tax, which is
90 separately authorized under Chapter 13 of this title.

91 (3) If the imposition of any otherwise authorized local sales tax, local use tax, or local
92 sales and use tax would result in a tax rate in excess of that authorized by paragraph (1)
93 of this subsection, then such otherwise authorized tax shall not be imposed. Reserved.

94 (c) Where the exception specified in paragraph (2) of subsection (a) of this Code section
95 applies, the tax imposed under subparagraph (a)(1)(D) of Code Section 48-8-111 shall not
96 apply to the sale of motor vehicles. This subsection shall stand repealed and reserved on
97 December 31, 2027.

98 (c.1) Where the exception specified in paragraph (2) of subsection (a) of this Code section
99 applies, on and after July 1, 2007, the aggregate amount of all excise taxes imposed under
100 paragraph (5) of subsection (a) of Code Section 48-13-51 and all sales and use taxes shall
101 not exceed 14 percent. This subsection shall stand repealed on December 31, 2027.

102 (d) Notwithstanding any law or ordinance to the contrary, any tax, charge, or fee levied
103 by any political subdivision of this state and applicable to mobile telecommunications
104 services, as defined in Section 124(7) of the federal Mobile Telecommunications Sourcing
105 Act, 4 U.S.C. Section 124(7), shall apply only if the customer's place of primary use is
106 located within the boundaries of the political subdivision levying such local tax, charge,
107 or fee. For purposes of this subsection, the provisions of Code Section 48-8-13 shall apply
108 in the same manner and to the same extent as such provisions apply to the tax levied by
109 Code Section 48-8-1 on mobile telecommunications services. This subsection shall not be
110 construed to authorize the imposition of any tax, charge, or fee."

111 **SECTION 2-2.**

112 Said chapter is further amended in paragraph (1) of subsection (a) of Code Section 48-8-201,
113 relating to intergovernmental contract for distribution of tax proceeds, approval of
114 referendum by voters, cap on aggregate amount of tax, and rate, by striking "paragraph (2)
115 of subsection (a)" and replacing it with "subsection (b)".

116 **SECTION 2-3.**

117 Chapter 13 of Title 48 of the Official Code of Georgia Annotated, relating to specific,
118 business, and occupation taxes, is amended in division (b)(7)(B)(ii) of Code

119 Section 48-13-51, relating to county and municipal levies on public accommodations charges
120 for promotion of tourism, conventions, and trade shows, by striking "subsection (c.1) of Code
121 Section 48-8-6 and".

122 **PART III**
123 **SECTION 3-1.**

124 Article 2 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to joint
125 county and municipal sales and use tax (LOST), is amended by adding a new Code section
126 to read as follows:

127 "48-8-98.

128 (a) Any sales and use tax imposed pursuant to this article as of December 31, 2027, shall
129 be converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
130 Article 2C of this chapter.

131 (b) Any millage rate adjustments due to the elimination of a sales and use tax pursuant to
132 this article pursuant to subsection (a) of this Code section shall be exempt from the
133 roll-back calculation provided in Code Section 48-5-32.1.

134 (c) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
135 article."

136 **SECTION 3-2.**

137 Part 1 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
138 relating to homestead option sales and use tax (HOST), is amended by adding a new Code
139 section to read as follows:

140 "48-8-109.01.

141 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
 142 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
 143 Article 2C of this chapter.

144 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
 145 part."

146 **SECTION 3-3.**

147 Part 2 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
 148 relating to equalized homestead option sales tax (EHOST), is amended by adding a new
 149 Code section to read as follows:

150 "48-8-109.11.

151 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
 152 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
 153 Article 2C of this chapter.

154 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
 155 part."

156 **SECTION 3-4.**

157 Part 3 of Article 2A of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,
 158 relating to revised homestead option sales and use tax (RHOST), is amended by adding a
 159 new Code section to read as follows:

160 "48-8-109.25.

161 (a) Any sales and use tax imposed pursuant to this part as of December 31, 2027, shall be
 162 converted by operation of law on January 1, 2028, into a sales and use tax pursuant to
 163 Article 2C of this chapter.

164 (b) On and after January 1, 2028, no sales and use tax may be imposed pursuant to this
165 part."

166 **SECTION 3-5.**

167 Article 2B of Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to
168 special district option sales and use tax (FLOST), is amended by adding a new Code section
169 to read as follows:

170 "48-8-109.43.

171 Any sales and use tax imposed pursuant to this article as of December 31, 2027, may be
172 converted upon approval by local referendum on or after January 1, 2028, into a sales and
173 use tax pursuant to Article 2C of this chapter. Any funds accrued pursuant to this article
174 prior to any such conversion shall be distributed to counties and municipalities pursuant
175 to the intergovernmental agreement and used for the purpose of homestead property tax
176 relief."

177 **PART IV**

178 **SECTION 4-1.**

179 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to sales and use tax,
180 is amended by adding a new article to read as follows:

181 "ARTICLE 2C

182 48-8-109.50.

183 (a) This article shall be known and may be cited as the 'Local Homestead Option Sales
184 Tax' (LHOST).

185 (b) As used in this article, the term:

186 (1) 'Eligible local government' means each county, consolidated government, and
187 municipality whose governing authority levied and derived revenue from an ad valorem
188 tax on homestead property within the special district at a net millage rate of greater than
189 zero in the tax year immediately preceding the year in which the intergovernmental
190 agreement was executed. Such term excludes any consolidated government which elects
191 to implement a sales and use tax pursuant to Code Section 48-8-96 or 48-8-97.

192 (2) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40, with
193 the additional limitation that such term shall include:

194 (A) Only the primary residence and not more than five contiguous acres of land
195 immediately surrounding such residence; or

196 (B) If the property is assessed pursuant to Code Section 48-5-7.4 or 48-5-7.7, only the
197 primary residence and the portion of the underlying property that is excluded from the
198 benefit of such assessment pursuant to subparagraph (a)(1)(B) of Code Section 48-5-7.4
199 or subparagraph (b)(2)(B) of Code Section 48-5-7.7.

200 (3) 'Local Homestead Option Sales Tax' or 'LHOST' means any special sales and use tax
201 levied under this article to provide funds for the purpose of homestead property tax relief.

202 48-8-109.51.

203 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
204 Constitution of this state, there are created within this state 159 special districts. The
205 geographical boundary of each county shall correspond with and shall be conterminous
206 with the geographical boundary of one of the 159 special districts.

207 (b) The territory of each special district shall include all of the territory within the county,
208 including all municipalities, to the extent the municipal boundaries lie within the
209 geographical boundaries of the county.

210 48-8-109.52.

211 (a) Subject to the requirements of this article, beginning January 1, 2028, there may be
212 imposed within any given special district a special sales and use tax to be used to provide
213 funds for the purpose of homestead property tax relief.

214 (b) Subject to the aggregate limits provided in Code Section 48-8-6, an LHOST
215 of 1 percent may be imposed within a special district.

216 (c) Except as otherwise provided in this article, the LHOST shall correspond to the tax
217 imposed by Article 1 of this chapter, and no item or transaction which is not subject to
218 taxation under Article 1 of this chapter shall be subject to a tax imposed under this article;
219 provided, however, that a tax imposed under this article shall apply to sales of motor fuels
220 as prepaid local tax as defined in Code Section 48-8-2 and shall be applicable to the sale
221 of food and food ingredients and alcoholic beverages as provided for in Code
222 Section 48-8-3. The levy of such tax upon sales of motor fuels as defined in Code
223 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not
224 more than \$3.00 per gallon.

225 48-8-109.53.

226 (a) For the LHOST to be levied within a special district for the benefit of eligible local
227 governments within the special district, the governing authority of the county whose
228 geographical boundary is conterminous with that of the special district shall deliver or mail
229 a written notice to the governing authority of each municipality which is an eligible local
230 government located within the special district. Such notice shall contain the date, time,
231 place, and purpose of a meeting at which the governing authorities of the county and of
232 each such municipality are to meet to discuss the possible inclusion of funding for the
233 purpose of homestead property tax relief for each such municipality. Such notice shall be
234 delivered or mailed at least ten days prior to the date of the meeting which shall be held at
235 least 30 days prior to entering into an intergovernmental agreement or adopting a

236 resolution. The governing authority of the county and the governing authority or
237 authorities, if any, that represent at least 50 percent of the special district's residents of
238 municipalities which are eligible local governments may enter into an intergovernmental
239 agreement and adopt such intergovernmental agreement by resolution. The only terms that
240 may be agreed to in relation to an LHOST are:

- 241 (1) The rate of the tax;
- 242 (2) The maximum period of time stated in calendar years or quarters for which the tax
243 is to be levied, which shall not exceed ten years;
- 244 (3) The date on which the tax will commence; and
- 245 (4) The proposed distribution of the proceeds of the tax.

246 In the event that the parties have not entered into an intergovernmental agreement within
247 60 days of the county's delivery or mailing of the notice as required in this paragraph, the
248 county shall be authorized to adopt a resolution imposing the tax authorized under the
249 terms of this article, provided that the distribution of the proceeds of the tax shall be as
250 provided for in Code Section 48-8-109.56 at a rate necessary to provide funds for the
251 purpose of homestead property tax relief within the special district levying the LHOST.

252 (b) Once the conditions of subsection (a) of this Code section are satisfied and the county
253 submits a copy of the required resolution or intergovernmental agreement to the
254 commissioner, the tax shall be imposed on the date specified in the resolution or
255 agreement; provided, however, that such date shall not be earlier than the first day of the
256 next succeeding calendar quarter which begins more than 50 days after the date that the
257 resolution or agreement is received by the commissioner; provided, further, that, with
258 respect to services that are regularly billed on a monthly basis, the tax shall apply to the
259 first regular billing period coinciding with or following the effective date specified in this
260 subsection.

261 (c) The tax shall cease to be imposed on the final day of the maximum period of time
262 specified in the resolution or intergovernmental agreement for the imposition of the tax;

263 provided, however, that the tax may cease at any earlier specified time through the
264 adoption of concurring resolutions by each eligible local government which was party to
265 the existing intergovernmental agreement; provided, further, that any tax initially imposed
266 pursuant to this article prior to January 1, 2037, shall automatically expire on December
267 31, 2037, but shall automatically renew in accordance with subsection (d) of this Code
268 section.

269 (d) The tax may be renewed for any special district in the same manner and under the same
270 conditions as for an initial imposition of an LHOST within the special district as provided
271 for in this article; provided, however, that any tax initially imposed pursuant to this article
272 prior to January 1, 2037, that automatically expires on December 31, 2037, pursuant to
273 subsection (c) of this Code section, shall be automatically reimposed for an additional
274 period of ten years unless otherwise provided by a local Act of the General Assembly. Such
275 newly authorized tax shall not be imposed until the expiration of the tax then in effect.

276 (e) If there is only one governing authority within the special district that would be
277 otherwise required to enter into an intergovernmental agreement, the governing authority
278 of such county or consolidated government whose geographical boundary is conterminous
279 with that of the special district shall adopt a resolution which meets the requirements
280 provided for in this Code section for intergovernmental agreements.

281 48-8-109.54.

282 (a) Each LHOST shall be exclusively administered and collected by the commissioner for
283 the use and benefit of the special district imposing the tax. Such administration and
284 collection shall be accomplished in the same manner and subject to the same applicable
285 provisions, procedures, and penalties provided in Article 1 of this chapter except that the
286 LHOST shall be applicable to sales of motor fuels as prepaid local tax as defined in Code
287 Section 48-8-2; provided, however, that all moneys collected from each taxpayer by the
288 commissioner shall be applied first to such taxpayer's liability for taxes owed the state; and

289 provided, further, that the commissioner may rely upon a representation by or on behalf of
290 the county government or the Secretary of State that such a tax has been validly imposed,
291 and the commissioner and the commissioner's agents shall not be liable to any person for
292 collecting any such tax which was not validly imposed.

293 (b) Dealers, as defined in Code Section 48-8-2, shall be allowed a percentage of the
294 amount of the tax due and accounted for and shall be reimbursed in the form of a deduction
295 in submitting, reporting, and paying the amount due if such amount is not delinquent at the
296 time of payment. Such dealer deduction shall be at the rate and subject to the requirements
297 specified under subsections (b) through (f) of Code Section 48-8-50.

298 48-8-109.55.

299 (a) The proceeds of the tax collected by the commissioner under this article shall be
300 disbursed as soon as practicable after collection directly to the county whose boundary is
301 conterminous with the boundary of the special district and shall be held in a separately
302 designated interest-bearing account for the eligible local governments of the special
303 district.

304 (b) The funds of an account provided for in subsection (a) of this Code section shall only
305 be removed or disbursed by such county to eligible local governments within the special
306 district in accordance with this article, unless otherwise provided for in an
307 intergovernmental agreement entered into pursuant to subsection (a) of Code
308 Section 48-8-109.53, in which case such removal or disbursement of funds from an account
309 shall be in accordance with the provisions of such intergovernmental agreement.

310 (c) No funds other than the annual LHOST proceeds, and interest accrued thereon, shall
311 be placed in such accounts and shall not be commingled with any other funds.

312 48-8-109.56.

313 (a) The proceeds of any tax authorized under this article shall be used for the purpose of
314 homestead property tax relief.

315 (b)(1) For an LHOST imposed for more than one eligible local government within a
316 special district, following the adoption of millage rates each year by all such eligible local
317 governments, the county tax commissioner shall calculate the proportional share of
318 proceeds to be distributed to each local government in accordance with the
319 intergovernmental agreement or as necessary to provide funds to each eligible local
320 government for property tax relief for homestead properties within the special district.

321 (2) In the event that the proceeds collected for a special district exceed the total revenue
322 necessary to provide full property tax relief for homestead properties within the special
323 district, the excess proceeds shall be distributed to each eligible local government to
324 provide for property tax relief for nonhomestead properties within the special district.

325 (3) In the event proceeds remain following the application of paragraphs (1) and (2) of
326 this subsection, such excess proceeds shall be used by the eligible local government or
327 governments for funding all or any portion of those services which are to be provided by
328 such eligible local government or governments pursuant to and in accordance with Article
329 IX, Section II, Paragraph III of the Constitution of this state.

330 (c) In the event an eligible local government fails to submit its adopted millage rates by
331 August 1, the county tax commissioner shall use 75 percent of such eligible local
332 government's prior year's millage rate in the calculation under subsection (b) of this Code
333 section, and the county shall only disburse under subsection (b) of this Code section the
334 lesser of such amount and the net millage rate actually levied by such eligible local
335 government in the current year.

336 (d) Notwithstanding any provision of law to the contrary, a county or municipality shall
337 be considered an eligible local government if in the preceding year the tax authorized under
338 Article 2 or Article 2B of this chapter was levied within the special district containing such

339 county or municipality, such county or municipality received funds from the levy of either
340 tax, either tax is no longer levied in the current year, and such county or municipality
341 adopts and submits a millage rate by August 1.

342 48-8-109.57.

343 The commissioner shall have the power and authority to promulgate such rules and
344 regulations as shall be necessary for the effective and efficient administration and
345 enforcement of the collection of the tax authorized by this article.

346 48-8-109.58.

347 Except as otherwise provided in this article or Code Section 48-8-6, the tax authorized by
348 this article shall be in addition to any other local sales and use tax. The imposition of any
349 other local sales and use tax within a county, municipality, or special district shall not
350 affect the authority of a county, municipality, or special district to impose the tax
351 authorized by this article, and the imposition of the tax authorized by this article shall not
352 affect the imposition of any otherwise authorized local sales and use tax within a county,
353 municipality, or special district.

354 48-8-109.59.

355 The proceeds from any sales and use tax for a given special district levied as of December
356 31, 2027, under Article 2, Part 1 of Article 2A, Part 2 of Article 2A, or Part 3 of Article 2A
357 of this chapter shall, as of January 1, 2028, be reallocated for the purposes of this article."

PART V**SECTION 5-1.**

Part 4 of Article 6 of Chapter 2 of Title 20 of the Official Code of Georgia Annotated, relating to financing under the "Quality Basic Education Act," is amended in paragraph (5) of subsection (a) of Code Section 20-2-167, relating to funding for direct instructional, media center, and staff development costs, computerized uniform budget and accounting system, submission of local budget to state board, and provision of certain information by local boards, by striking "15 percent" and replacing it with "25 percent".

SECTION 5-2.

Said part is further amended in Code Section 20-2-167.1, relating to public meetings on proposed annual operating budget, notice, electronic copies, and exception for certain nonprofits, by revising subsection (b) as follows:

"(b)(1) Each governing body shall hold at least two public meetings, which shall not occur within the same week, for the purpose of providing an opportunity for public input on its proposed annual operating budget before adopting any budget; provided, however, that any other public meeting or hearing held that is related to the budget as required by law shall satisfy all or a portion of such requirement. The governing body of a charter school with a state-wide attendance zone and students residing in 25 percent or more of Georgia's counties or in three or more counties which are not geographically contiguous shall conduct one such public meeting virtually and one such public meeting in the county in which its primary business office is located. The public meetings shall be advertised in a local newspaper of general circulation which shall be the same newspaper in which other legal announcements of the board of education are advertised.

(2)(A)(i) On and after January 1, 2028, no proposed annual operating budget resolution that would result in an increase in the revenues raised by the local board

383 of education from the levy and collection of ad valorem property taxes by an amount
384 that exceeds the greater of 3 percent or the percent change in the rate of economic
385 inflation on individual taxpayers as determined under the Consumer Price Index, as
386 reported by the Bureau of Labor Statistics of the United States Department of Labor,
387 of the amount of such revenues raised by the local board of education which would
388 be raised by the local board of education from the levy of its roll-back rate calculated
389 pursuant to Code Section 48-5-32.1 shall go into effect unless the General Assembly
390 enacts a local Act authorizing such increase or the electors of the local school system
391 have approved such budget resolution in a referendum election. In calculating
392 whether a proposed annual operating budget resolution would result in such an
393 increase in the revenues raised by the local board of education, increases in revenue
394 attributable to the levies of ad valorem property tax for costs incurred pursuant to a
395 state of emergency declared by any federal, state, or local emergency management
396 agency, official, or authority shall not be counted.

397 (ii) The call for and conduct of any such election shall be in the manner authorized
398 under Code Section 21-2-540. The costs of any referendum held pursuant to this
399 paragraph shall be paid by the local board of education. The exact ballot language
400 shall be prescribed by the local board of education but shall contain, at a minimum,
401 the projected amount of revenue to be generated by the budget resolution; the amount
402 of revenue received by the local board of education in the previous fiscal year; and
403 a statement as to whether or not such projected revenue increase is the result of an
404 increase in the levy or rate of ad valorem property taxes. All persons desiring to vote
405 in favor of the budget resolution shall vote 'Yes' and all persons opposed to the budget
406 resolution shall vote 'No.' If more than one-half of the votes cast are in favor of the
407 budget resolution, then the budget resolution shall go into effect as provided by law;
408 otherwise, the budget resolution shall either:

409 (I) Not go into effect and the local board of education shall prepare a new proposed
410 budget which is projected not to increase the revenues raised by the local board of
411 education by an amount that exceeds the 3 percent limitation provided for in this
412 subparagraph; or

413 (II) Go into effect and the local board of education shall be required to reduce its
414 proposed budget for the subsequent year by an amount corresponding to the
415 unapproved increase exceeding the 3 percent limitation.

416 (B) A local board of education shall not be required to hold either or both of the public
417 meetings required under paragraph (1) of this subsection after a proposed annual
418 operating budget resolution has been approved in a referendum election required under
419 subparagraph (A) of this paragraph.

420 (C) Nothing in this paragraph shall be construed to require that the public meetings of
421 a local board of education required under paragraph (1) of this subsection shall be held
422 at any particular time either prior to or following the referendum election required
423 under subparagraph (A) of this paragraph."

424 SECTION 5-3.

425 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
426 in Code Section 36-81-3, relating to establishment of fiscal year, requirement of annual
427 balanced budget, adoption of budget ordinances or resolutions generally, budget
428 amendments, and uniform chart of accounts, by revising subsection (d) as follows:

429 "(d) Nothing contained in this Code section shall preclude a local government from
430 amending its budget so as to adapt to changing governmental needs during the budget
431 period; provided, however, that, on and after January 1, 2028, no such amendment shall
432 result in an increase in the revenues raised by the unit of local government from the levy
433 and collection of ad valorem property taxes by an amount that exceeds the greater of 3
434 percent or the percent change in the rate of economic inflation on individual taxpayers as

435 determined under the Consumer Price Index, as reported by the Bureau of Labor Statistics
 436 of the United States Department of Labor, of the amount of such revenues which would be
 437 raised by the unit of local government from the levy of its roll-back rate calculated pursuant
 438 to Code Section 48-5-32.1; provided, further, that this calculation shall not include
 439 increases in a proposed budget attributable to costs incurred pursuant to a state of
 440 emergency declared by any federal, state, or local emergency management agency, official,
 441 or authority. Amendments shall be made as follows, unless otherwise provided by charter
 442 or local law:

- 443 (1) Any increase in appropriation at the legal level of control of the local government,
 444 whether accomplished through a change in anticipated revenues in any fund or through
 445 a transfer of appropriations among departments, shall require the approval of the
 446 governing authority. Such amendment shall be adopted by ordinance or resolution;
 447 (2) Transfers of appropriations within any fund below the local government's legal level
 448 of control shall require only the approval of the budget officer; and
 449 (3) The governing authority of a local government may amend the legal level of control
 450 to establish a more detailed level of budgetary control at any time during the budget
 451 period. Said amendment shall be adopted by ordinance or resolution."

452 **SECTION 5-4.**

453 Said title is further amended by revising Code Section 36-81-6, relating to adoption of budget
 454 ordinance or resolution and form of budget, as follows:

455 "36-81-6.

- 456 (a)(1) On a date after the conclusion of the hearing required in subsection (f) of Code
 457 Section 36-81-5, the governing authority shall adopt a budget ordinance or resolution
 458 making appropriations in such sums as the governing authority may deem sufficient,
 459 whether greater or less than the sums presented in the proposed budget. The budget
 460 ordinance or resolution shall be adopted at a public meeting which shall be advertised in

461 accordance with the procedures set forth in subsection (e) of Code Section 36-81-5 at
462 least one week prior to the meeting, except as otherwise provided in paragraph (2) of this
463 subsection.

464 (2)(A) On and after January 1, 2028, if such budget ordinance is projected to result in
465 an increase in the revenues raised by the unit of local government from the levy and
466 collection of ad valorem property taxes by an amount that exceeds the greater of 3
467 percent or the percent change in the rate of economic inflation on individual taxpayers
468 as determined under the Consumer Price Index, as reported by the Bureau of Labor
469 Statistics of the United States Department of Labor, of the amount of such revenues
470 raised by the unit of local government which would be raised by the unit of local
471 government from the levy of its roll-back rate calculated pursuant to Code Section
472 48-5-32.1, then such budget ordinance shall not go into effect unless the General
473 Assembly enacts a local Act authorizing such increase or the electors of the unit of local
474 government have approved such budget ordinance in a referendum election. In
475 calculating whether a proposed annual operating budget resolution would result in such
476 an increase in the revenues raised by the unit of local government, increases in revenue
477 attributable to costs incurred pursuant to a state of emergency declared by any federal,
478 state, or local emergency management agency, official, or authority shall not be
479 counted.

480 (B) The call for and conduct of any such election shall be in the manner authorized
481 under Code Section 21-2-540. The costs of any referendum held pursuant to this
482 subsection shall be paid by the unit of local government adopting such budget
483 ordinance. The exact ballot language shall be prescribed by the governing authority
484 adopting the budget ordinance but shall contain, at a minimum, the projected amount
485 of revenue to be generated by the budget ordinance; the amount of revenue received by
486 the unit of local government in the previous fiscal year; and a statement as to whether
487 or not such projected revenue increase is the result of an increase in the levy or rate of

488 ad valorem property taxes. All persons desiring to vote in favor of the budget
 489 ordinance shall vote 'Yes' and all persons opposed to the budget ordinance shall vote
 490 'No.' If more than one-half of the votes cast are in favor of the budget ordinance, then
 491 the budget ordinance shall go into effect as provided by law; otherwise, the budget
 492 ordinance shall either:

493 (i) Not go into effect and the unit of local government shall prepare a new proposed
 494 budget pursuant to Code Section 36-81-5 which is projected not to increase the
 495 revenues raised by the unit of local government by an amount that exceeds the 3
 496 percent limitation provided for in this subsection; or

497 (ii) Go into effect and the unit of local government shall be required to reduce its
 498 proposed budget for the subsequent year by an amount corresponding to the
 499 unapproved increase exceeding the 3 percent limitation.

500 (C) This paragraph shall not apply to increases in a proposed budget attributable to
 501 costs incurred pursuant to a state of emergency declared by any federal, state, or local
 502 emergency management agency, official, or authority.

503 (b) The budget may be prepared in any form that the governing authority deems most
 504 efficient in enabling it to make the fiscal policy decisions embodied in the budget, but such
 505 budget shall be subject to the provisions of this article."

506 **SECTION 5-5.**

507 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem
 508 taxation of property, is amended in Code Section 48-5-45, relating to application for
 509 homestead exemption and unlawful to solicit fee to file application for homestead for
 510 another, by revising subsections (a) and (b) as follows:

511 "(a)(1) An applicant seeking a homestead exemption as provided in Code Section
 512 48-5-44 and qualifying under the provisions of Code Section 48-5-40 shall file a written
 513 application and schedule with the tax receiver or tax commissioner charged with the duty

514 of receiving returns of property for taxation ~~at any time~~ during the calendar year
515 subsequent to the property becoming the primary residence of the applicant up to and
516 including:

517 (A) The ~~the~~ date for the closing of the books for the return of taxes for the calendar
518 year, ~~except that,~~ or

519 (B) In in the case of a property which is subject to a reassessment by the board of tax
520 assessors, ~~the final date to file an appeal of the annual notice of current reassessment.~~

521 Any such application and schedule may be filed in conjunction with or in lieu of an
522 appeal of the reassessment.

523 (2) The failure to file properly the application and schedule on or before the ~~date for the~~
524 ~~closing of the books for the return of taxes of a calendar year in which the taxes are due~~
525 applicable deadline under paragraph (1) of this subsection shall constitute a waiver of the
526 homestead exemption on the part of the applicant failing to make the application for such
527 exemption for that year.

528 (b) The owner of a homestead which is actually occupied by the owner as a residence and
529 homestead shall not have to apply for the exemption more than once so long as the owner
530 remains in continuous occupation of the residence as a homestead. The exemption shall
531 automatically be renewed from year to year so long as the owner continuously occupies the
532 residence as a homestead. It shall be the duty of any person granted the exemption to
533 notify the tax receiver or tax commissioner in the event such person for any reason
534 becomes ineligible for such exemption."

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PART VI
SECTION 6-1.

Code Section 21-2-540 of the Official Code of Georgia Annotated, relating to conduct and timing of special primaries and special elections generally, is amended in subsection (c) by revising paragraph (2) and adding a new paragraph to read as follows:

"(2) Notwithstanding any other provision of law to the contrary and except as otherwise provided in paragraph (2.1) of this subsection, a special election to present a question to the voters shall be held only on one of the following dates which is at least 29 days after the date of the call for the special election:

(A) In odd-numbered years, any such special election shall only be held on the third Tuesday in March or on the Tuesday after the first Monday in November; and

(B) In even-numbered years, any such special election shall only be held on:

(i) The date of and in conjunction with the presidential preference primary if one is held that year;

~~(ii) The third Tuesday in March; provided, however, that such special election shall occur prior to July 1, 2024, and present a question to the voters on sales and use taxes authorized by Articles 5, 5A, and 5B of Chapter 8 of Title 48;~~

~~(iii)~~(ii) The date of the general primary; or

~~(iv)~~(iii) The Tuesday after the first Monday in November.

(2.1) Notwithstanding any other provision of law to the contrary, a special election to present a question or other measure to the voters relating to an increase in revenue by a local governing authority, including a question or measure that could result in an increase in taxes shall be held only:

(A) In odd-numbered years, on:

(i) The third Tuesday in March; or

(ii) The Tuesday after the first Monday in November; and

- 585 (5) 'Millage' or 'millage rate' means the levy, in mills, which is established by the
586 governing authority for purposes of financing, in whole or in part, the taxing jurisdiction's
587 expenses for its fiscal year.
- 588 (6) 'Millage equivalent' means the number of mills which would result when the total net
589 assessed value added by reassessments is divided by the certified tax digest and the result
590 is multiplied by the previous year's millage rate.
- 591 (7) 'Net assessed value' means the taxable assessed value of property after all
592 exemptions.
- 593 (8) 'Recommending authority' means a county, independent, or area school board of
594 education that exercises the power to cause the levying authority to levy ad valorem taxes
595 to carry out the purposes of such board of education.
- 596 (9) 'Roll-back rate' means the previous year's millage rate minus the millage equivalent
597 of the total net assessed value added by reassessments:
- 598 (A) As calculated and certified to the commissioner by the tax commissioner for
599 county and educational tax purposes; and
- 600 (B) As calculated by the collecting officer of the municipality for municipal tax
601 purposes.
- 602 (10) 'Taxing jurisdiction' means all the real property subject to the levy of a specific
603 levying authority or the recommended levy of a specific recommending authority.
- 604 (11) 'Total net assessed value added by reassessments' means the total net assessed value
605 added to the certified tax digest as a result of revaluation of existing real property that has
606 not been improved since the previous tax digest year.
- 607 (b) At the time of certification of the digest, the tax receiver or tax commissioner shall also
608 certify to the recommending authority and levying authority of each taxing jurisdiction the
609 total net assessed value added by reassessments contained in the certified tax digest for that
610 tax digest year of the taxing jurisdiction.

611 (c)(1) Whenever a recommending authority or levying authority shall propose to adopt
 612 a millage rate which does not exceed the roll-back rate, it shall adopt that millage rate at
 613 an advertised public meeting and at a time and place which is convenient to the taxpayers
 614 of the taxing jurisdiction, in accordance with the procedures specified under Code Section
 615 48-5-32.

616 (2) In those instances in which the recommending authority or levying authority
 617 proposes to establish a general maintenance and operation millage rate which would
 618 require increases beyond the roll-back rate, the recommending authority or levying
 619 authority shall:

620 (A) Advertise ~~advertise~~ its intent to do so and shall conduct at least three public
 621 hearings thereon, at least one of which shall commence between the hours of 6:00 P.M.
 622 and 7:00 P.M., inclusive, on a business weekday. The recommending authority or
 623 levying authority shall place an advertisement in a newspaper of general circulation
 624 serving the residents of the unit of local government and post such advertisement on the
 625 website of the recommending or levying authority, which shall read as follows:

626 'NOTICE OF PROPERTY TAX INCREASE

627 The (name of recommending authority or levying authority) has tentatively adopted a
 628 millage rate which will require an increase in property taxes by (percentage increase
 629 over roll-back rate) percent.

630 All concerned citizens are invited to the public hearing on this tax increase to be held
 631 at (place of meeting) on (date and time).

632 Times and places of additional public hearings on this tax increase are at (place of
 633 meeting) on (date and time).

634 This tentative increase will result in a millage rate of (proposed millage rate) mills, an
 635 increase of (millage rate increase above the roll-back rate) mills. Without this tentative
 636 tax increase, the millage rate will be no more than (roll-back millage rate) mills. The

637 proposed tax increase for a home with a fair market value of (average home value from
638 previous year's digest rounded to the nearest \$25,000.00) is approximately \$(increase)
639 and the proposed tax increase for nonhomestead property with a fair market value of
640 (average nonhomestead property value from previous year's digest rounded to nearest
641 \$25,000.00) is approximately \$(increase).'

642 Simultaneously with this notice the recommending authority or levying authority shall
643 provide a press release to the local media; and

644 (B) Notify each taxpayer with property in the taxing jurisdiction, by mail directed to
645 the taxpayer's last known address, of the proposed intent to exceed the roll-back rate at
646 least ten days in advance of the first public hearing. Alternatively, the recommending
647 authority or levying authority may transmit the notice to the taxpayer by electronic
648 means at least ten days in advance of the first public hearing, if such taxpayer and
649 county clerk have consented in writing to service by electronic means. The county
650 clerk shall consolidate the required information for all taxing subdivisions relevant to
651 the taxpayer's property on one notice. The notice shall include, but not be limited to:

652 (i) The roll-back rate;

653 (ii) The proposed property tax revenue needed to fund the proposed budget;

654 (iii) The proposed millage rate based upon the proposed budget and the current year's
655 total assessed valuation;

656 (iv) The millage rate and property tax of the taxing jurisdiction on the taxpayer's
657 property from the previous year's tax statement;

658 (v) The proposed percent change in the millage rate between the previous year's tax
659 rate and the proposed tax rate for the current year;

660 (vi) The appraised value and assessed value of the taxpayer's property for the current
661 year;

662 (vii) The estimates of the tax for the current tax year on the taxpayer's property based
663 on the roll-back rate and the proposed millage rate; and

664 (viii) The dates, times, and locations of the public hearings.

665 (3) The advertisement shall appear at least one week prior to each hearing, be
666 prominently displayed, not be less than 30 square inches, and not be placed in that section
667 of the newspaper where legal notices appear and shall be posted on the appropriate
668 website at least one week prior to each hearing. In addition to the advertisement specified
669 under this paragraph, the levying or recommending authority may include in the notice
670 reasons or explanations for such tax increase.

671 (4) The recommending authority or levying authority shall provide interested taxpayers
672 of the taxing jurisdiction desiring to be heard an opportunity to present oral testimony
673 within reasonable time limits and without unreasonable restriction on the number of
674 individuals allowed to make public comment.

675 ~~(4)~~(5) No recommending authority shall recommend and no levying authority shall levy
676 a millage rate in excess of the proposed millage rate as established pursuant to
677 paragraph (2) of this subsection without beginning anew the procedures and hearings
678 required by this Code section and those required by Code Section 48-5-32.

679 ~~(5)~~(6) Any notice or hearing required under this Code section may be combined with any
680 notice or hearing required under Article 1 of Chapter 81 of Title 36 or Code
681 Section 48-5-32.

682 (d) Nothing contained in this Code section shall serve to extend or authorize any millage
683 rate in excess of the maximum millage rate permitted by law or to prevent the reduction of
684 the millage rate.

685 (e) The commissioner shall not accept a digest for review or issue an order authorizing the
686 collection of taxes if the recommending authority or levying authority other than municipal
687 governing authorities has established a millage rate that is in excess of the correct rollback
688 without complying fully with the procedures required by this Code section. In the event
689 a digest is not accepted for review by the commissioner pursuant to this subsection, it shall
690 be accepted for review upon satisfactory submission by such authorities of such evidence.

691 The levies of each of the levying authorities other than the county governing authority shall
 692 be invalid and unenforceable until such time as the provisions of this Code section have
 693 been met.

694 (f) Any recommending authority or levying authority that does not comply with the
 695 provisions of subsection (c) of this Code section shall refund to taxpayers any property
 696 taxes over-collected based on the amount of the levy that was in excess of the roll-back
 697 rate. The provisions of this subsection shall not be construed as prohibiting any other
 698 remedies available under the law.

699 ~~(f)~~(g) The commissioner shall promulgate such rules and regulations as may be necessary
 700 for the administration of this Code section."

701 **PART VIII**
 702 **SECTION 8-1.**

703 Said title is further amended by revising Code Section 48-5-302, relating to time for
 704 completion of revision and assessment of returns and submission of completed digest to
 705 commissioner, as follows:

706 "48-5-302.

707 Each county board of tax assessors, each municipal official responsible for collecting
 708 municipal ad valorem property taxes, and each school official responsible for collecting ad
 709 valorem property taxes for a local school system shall complete its revision and assessment
 710 of the returns of taxpayers in its respective county jurisdiction by July 15 of each year,
 711 except that, in all counties jurisdictions providing for the collection and payment of ad
 712 valorem taxes in installments, such date shall be June 1 of each year. The tax receiver or
 713 tax commissioner shall then immediately forward one copy of the completed digest to the
 714 commissioner for examination and approval."

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SECTION 8-2.

Said title is further amended by revising Code Section 48-5-303, relating to correction of mistakes in county tax digests and notification of correction, as follows:

"48-5-303.

(a)(1) The county board of tax assessors shall have authority to correct factual errors in the tax digest when discovered within three years and when such corrections are of benefit to the taxpayer. Such corrections, after approval of the county board of tax assessors, shall be communicated to the taxpayer and notice shall be provided to the tax commissioner.

(2) If the county board of tax assessors discovers a factual error in the tax digest which is not of benefit to the taxpayer and which relates to an improperly or mistakenly applied homestead exemption that was not due to any intentional misrepresentation or fraudulent act on the part of the taxpayer, the tax receiver or tax commissioner shall be prohibited from retroactively assessing the taxpayer the difference in ad valorem taxes actually paid by the taxpayer and the amount of ad valorem taxes that would have been assessed on the taxpayer but for the improperly or mistakenly applied homestead exemption.

(b) If a tax receiver or tax commissioner makes a mistake in the digest which is not corrected by the county board of tax assessors or county board of equalization, the commissioner, with the sanction of the Governor, shall correct the mistake by making the necessary entries in the digest furnished the commissioner. The commissioner shall notify the county governing authority and the tax collector of the county from which the digest comes of the mistake and correction."

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PART IX
SECTION 9-1.

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(a) It shall be the duty of the Secretary of State to issue the call for a nonbinding, advisory

740 referendum election to determine whether the qualified electors of the State of Georgia desire
741 that there be complete property tax relief for homeowners by exempting homestead
742 properties from ad valorem taxation by counties, municipalities, and local school systems.
743 The Secretary of State shall conduct the referendum election as provided in this section on
744 the date of the November, 2026, general election. The Secretary of State shall issue the call
745 and conduct that referendum election as provided by general law.

746 (b) The ballot at the referendum election provided under this section shall have displayed
747 or printed thereon the following:

748 " () YES Should the State of Georgia provide complete property tax relief for
749 homeowners by exempting homestead properties from ad valorem taxation
750 () NO by counties, municipalities, and local school systems?"

751 (c) It shall be the duty of the Secretary of State to tabulate and certify the results of the
752 referendum election and report said results to the Governor and the General Assembly
753 immediately following such certification.

754 **PART X**
755 **SECTION 10-1.**

756 It is the intent of the General Assembly that all sales tax revenue collected on and after
757 January 1, 2029, on the sale or lease of computer equipment to be incorporated into a facility
758 or facilities in this state to a high-technology company as described in subparagraph (A) of
759 paragraph (68) of Code Section 48-8-3, as it exists on December 31, 2028, shall be
760 appropriated for purposes of homestead property tax relief grants to counties, municipalities,
761 and local school systems pursuant to Code Section 36-89-2.

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PART XI

763

SECTION 11-1.

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This Act shall become effective upon its approval by the Governor or upon its becoming law

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without such approval.

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SECTION 11-2.

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