

CDC Shooting

August 8, 2025



Make local tax refund lawsuits follow the same rule as state tax refund lawsuits

The proposed state law change would prohibit class action lawsuits when the suit seek refunds of taxes and license fees collected by counties and cities.

Key takeaway: The proposed state law changes the remedy slightly. It does not change whether a local fee or assessment is valid. It does not prohibit individual taxpayers from seeking a refund under the statute or getting attorneys fees if successful.



Current statute

Refund claims are brought under the local government tax refund statute: O.C.G.A. § 48-5-380.



Last session

Two bills were introduced to make this change, but neither advanced.

Class action refund cases shift large litigation costs to local taxpayers



Cases are already pending

17 class action lawsuits have used the local government tax refund statute to challenge city and county fees or assessments related to essential services like fire and EMS



State refund claims already have this rule

Georgia's companion state tax-refund statute bars class actions for any refund action. Counties and cities are asking for the same treatment. O.C.G.A. § 48-2-35



The policy question

Should local governments face class action refund lawsuits when the State does not?

Fees help fund costly services that residents expect and rely on



Services funded by fees

Local governments use ordinances or resolutions to set fees or assessments for services such as fire, EMS, and police.



How fees differ from property taxes

A fee or assessment is not a millage rate property tax. It is commonly a separate annual charge calculated using different methods.

They may spread the cost of essential services more broadly



May cost less than property tax increase

A fee or assessment can be less expensive than raising the millage rate so that property taxes fund these services.



Can reach tax-exempt property

A fee can be structured so some entities that do not pay property taxes will pay for the service they receive.

Why that matters

Fire, EMS, and police services are costly. Local officials need funding options that make local sense and are an alternative to property taxes.

Even a modest refund claim can create major taxpayer expense



Counties and cities must defend the lawsuit

Local governments pay all the costs of to defend these class action refund cases.



If plaintiffs win or the case is settled, taxpayers ultimately pay all the costs of the case.

The costs include defense legal fees, administration costs, plaintiffs' attorneys' fees and the cost to refund the fee.

Since taxpayers often pay all of the costs associated with these suits, prohibiting class actions in this context is another taxpayer-protection measure, similar in spirit to 2025 statewide tort-reform efforts.

A pending case shows the potential financial stakes



Chatham Superior Court ruling

In October 2025, the trial court struck down the Chatham County fire fee and ordered about \$26 million in refunds.



Supreme Court review

The case is on appeal to the Georgia Supreme Court, with a decision on the fee's validity possible by the end of 2026.

Additional background: an August 2025 Forest-Blade article reviewed these cases. The QR code is on the next slide.

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Forest-Blade article on Emanuel County fire fee litigation



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Use a phone camera to open the article.