

Property Tax Reform

Homeownership Opportunity and Market Equalization Act of 2026

- I. Full Exemption for homesteads from all local ad valorem taxation – effective 2032
 - a. 100% Homestead Exemption after one full year of tax paid (sales price)
 - b. Preserve other exemptions
- II. Utilize existing local sales tax, Schools (2), Cities/Counties (3)
 - a. Enabled as CHOST/EHOST (auto renew w/o referendum, local act check)
 - b. Option to repurpose any (or portion of) existing local sales taxes to CHOST/EHOST when they expire before 2032 (auto renew w/o referendum)
 - c. Three Pennies for County/City (Combination of HOST, MOST, TSPLOST, SPLOST or LOST) and Two pennies for Schools (open, FLOST, or other plus ESPLOST)
 - i. Backfills revenue derived from homestead properties.
 - ii. Any remaining funds can be used to reduce non-homestead property taxes
 - iii. Schools have first right of refusal for any open penny or otherwise renewing penny for EHOST (city/county may designate)
- III. Local Assessments/Fees
 - a. Assessments – capital projects and/or essential services
 - b. Fees – optional services (i.e. recycling, etc.).
 - c. Replacement for all properties (roll-back) and/or capital dollars
- IV. Revenue/Spending Caps – effective 2032
 - a. Cap Revenue growth at 3% for non-improved/non-exempt properties (Utah Model).
 - b. Base Year for Homesteads (plus index for sales tax offset)
- V. Homeowners Tax Relief Grants (HTRG)
 - a. In AFY23, grants averaged \$500 and cost the state approximately \$850m.
 - b. Remove limits on amount
 - c. Enable locally for reduction or relief to Homeowners (Columbia Co Model)
- VI. Floating Homestead Exemption (HB 581)
 - a. Recognize exemptions for school property tax digest (impact analysis by SA-DOE).
 - b. Allow FHOST*
 - c. Clean-up sections
 - i. Enforcement and Penalties
 - ii. Notice updates
 - iii. Homestead Database
- VII. Increase to state homestead exemption
 - a. Take current 2k to 10k (2027), 30k (2029), 60k (2031)