

SB 33 (HB 1116 / SB 382)

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

As Passed House and Senate

Revised: April 3, 2026

AM 59 0041

Staff Contact: Clint Mueller, Deputy Director | cmueller@accg.org

Summary: SB 33 – As Passed House and Senate (Version - AM 59 0041)

Part I. The HOME Act

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

Part II. Local Homestead Option Sales Tax (LHOST)

Section 2-1: Local Sales Tax Limits

Allows for a new LHOST to be levied as an alternative to the FLOST. This provision does not increase the amount of sales tax which may be levied in a jurisdiction.

Section 2-2: Provisions for the New LHOST

- A. Purpose: Funds dollar-for-dollar tax relief based on local homestead exemptions adopted by local Act and, if available, proportional reductions in applicable millage rates.
- B. Rate and Duration:
 - 1. A rate of 1 percent.
 - 2. The tax may run for up to ten years before renewal.
- C. Eligibility:

Counties and cities, provided that they actually levy and collect property taxes and have the required local Act in place that grants the LHOST homestead exemption.
- D. Enacting the LHOST:

An LHOST commences following the approval of the voters of the county of a local homestead exemption that authorizes the LHOST.

ACCG OFFERS REFERENCE MATERIAL AS A GENERAL SERVICE TO COUNTY OFFICIALS AND STAFF. THIS MATERIAL DOES NOT REPRESENT ANY INTERIM OR FINAL POSITION(S) TO BE TAKEN BY ACCG IN COMPLIANCE WITH ITS POLICY-DEVELOPMENT PROCEDURES. THE INFORMATION PROVIDED HERE DOES NOT ESTABLISH AN ATTORNEY CLIENT RELATIONSHIP AND SHOULD NOT BE INTERPRETED OR USED AS A SUBSTITUTE FOR A LEGAL OPINION FROM THE COUNTY ATTORNEY OR OTHER QUALIFIED COUNSEL.

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:

The funds are deposited in interest-bearing account held in trust by the county.

3. Distribution / Allocation of Proceeds:

- i. The amount of the funds in the countywide trust account as of August 1 of each year are used to determine the maximum amount of homestead exemption that may be applied throughout the special district to reduce the assessed value for all jurisdictions that have the required local homestead exemption in effect.
- ii. In the event there are excess funds, those funds are distributed throughout the special district to proportionately reduce the millage rates in effect for eligible local governments throughout the special district.

4. Disbursements:

The proceeds are disbursed within 30 days of the jurisdiction's mailing of their tax bills. The amount disbursed is equal to the amount of revenue that was forgone by the jurisdiction due to the homestead exemptions and or reductions actually provided to taxpayers.

Part III. School District Finances

Section 3-1: Provisions related to calculations of QBE for Education Purposes

Section 3-2: Reserve Funds for Local Boards of Education

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

Part IV. Dates Available for to Hold Local Tax Referenda

Section 4-1.

In short, the change from current law is that referenda for local taxes can no longer be held in conjunction with a presidential preference primary. Available options for the local referenda remain as, for all years, the Tuesday after the first Monday each November. Plus, for odd-numbered years, the third Tuesday in March, and for even-numbered years, the date of the general primary (May).

Part V. Eliminating HB 581 Opt-Out; Property Tax Administration Changes

Section 5-1. Mandates HB 581 (Floating Base Year Homestead Exemption) Statewide

A. Eliminates the ability for local governments and local school districts to elect to opt out of the HB 581 (2024) Base Year Floating Homestead Exemption. In short, all jurisdictions that had previously opted-out of the HB 581 exemption are now subject to it, prospectively. The base year is the year prior to the first applicable year of the homestead exemption for that jurisdiction.

B. Makes a handful of revisions to HB 581 to address edge-case scenarios related to property improvements and homeowners becoming re-eligible for the homestead exemption on a given property.

C. In conjunction with SB 566 (2026), revises certain required information for tax billing.

Section 5-2. Deadlines for Municipal and School Tax Officials

This Section establishes a duty and deadline for municipal and school tax officials to review and revise their assessment of property tax returns for their respective jurisdictions. Under current law, these duties fall only on the county board of tax assessors with a deadline of July 15 in most cases.

Section 5-3. No Recourse for Factual Errors in the Digest

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 VI. Effective Dates and Applicability

Section 6-1: Effective Date – On Governor's Signature

Section 6-2: General Repealer

ACCG OFFERS REFERENCE MATERIAL AS A GENERAL SERVICE TO COUNTY OFFICIALS AND STAFF. THIS MATERIAL DOES NOT REPRESENT ANY INTERIM OR FINAL POSITION(S) TO BE TAKEN BY ACCG IN COMPLIANCE WITH ITS POLICY-DEVELOPMENT PROCEDURES. THE INFORMATION PROVIDED HERE DOES NOT ESTABLISH AN ATTORNEY CLIENT RELATIONSHIP AND SHOULD NOT BE INTERPRETED OR USED AS A SUBSTITUTE FOR A LEGAL OPINION FROM THE COUNTY ATTORNEY OR OTHER QUALIFIED COUNSEL.