

House Bill 581 (2024)

Signed into law April 18, 2024 (Act 379). Entire bill is contingent upon November Statewide Referendum (HR 1022)

1) Property Tax Procedural Changes

- Change to the Assessment Notice
 - Removes estimate of current tax based on last year's millage rates.
 - Instead, assessment notice will include the current year's "estimated roll-back rate" established by local government
 - Disclaimer is required on property tax bill if roll-back rate is exceeded
- Codifies requirement that parcels are appraised at least every three years
- Provides "three-year lock" only if property value is reduced on appeal
- Removes provision limiting fair market value to sale price the year after the sale

2) Statewide Floating Homestead Exemption

- Establishes a statewide "floating homestead" exemption based on a rate of inflation determined by DOR
 - Requires approval through referendum in November 2024 (HR 1022); Applies to taxable years beginning in 2025
 - Exemption allows assessment on homesteaded properties to only rise annually at the rate of inflation
 - Property value resets with a sale or adjusts with "substantial property change"
 - This exemption will be in addition to other homestead exemptions, except other base year value exemptions (freezes or floats). In that case, the taxpayer will receive the exemption that is more beneficial
- Any local government wishing not to participate must affirmatively "opt out"
 - If approved on November 2024 ballot, local governments have until March 1, 2025, to opt-out
 - To opt-out, local government must pass a resolution after: Holding three public hearings and run required advertisements one week prior to each meeting

3) New Local Option Sales Tax and Local Sales Tax Limit Revisions

- Revised limitation on local sales tax
 - Keeps local sales tax limit at 2% (6% including state portion) but allows 3 "buckets" of exceptions, allowing local government 1 percent from each "bucket"
 - ESPLOST penny
 - A transportation penny (Regional TSPLOST, Single County TSPLOST, Transit SPLOST, or MARTA)
 - One additional from OLOST, CSPLOST, MOST, or the new FLOST
- Creates a new local option sales tax for counties and cities. This has been referred to as the FLOST
 - Up to 1 percent sales and use tax for "property tax relief"
 - Split between the county and cities "that levy an ad valorem tax on property"
 - County and all cities must have "in effect a base year value or adjusted base year value homestead exemption"
 - Distributed between county and cities based on the IGA with proceeds used "exclusively for tax relief" similar to LOST
 - Tax may be levied up to five years but may then be renewed. For renewal, local act by the general assembly will be required in addition to the IGA and referendum