

Elected
Mitchell Boston
Patrick Underwood
Robert Dodd



Officials
Luciria L. Lovette
Bridgette Kelly

Sarah B. Hayes
Mayor

Mayor and Council Meeting
January 27, 2025 @ 6:00 PM
Walthourville Police Department

The Honorable Mayor Sarah B. Hayes, Presiding

AGENDA

- | | | |
|-------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| I. | Call to Order: | Mayor Sarah B. Hayes |
| II. | Roll Call | City Clerk |
| III. | Invocation | Appointee |
| IV. | Pledge of Allegiance | In Unison |
| V. | Adoption of Meeting Agenda | Councilmembers |
| VI. | Adoption of Regular Meeting Minutes | Councilmembers |
| | <ul style="list-style-type: none">• January 14, 2025 Regular Meeting Minutes• January 14, 2025 Executive Session Minutes | |
| VII. | Presentation(s) | None |
| VIII. | Agenda Item(s) | |
| | 1. HB 581 Discussion | Attorney Luke R. Moses |
| IX. | Department Comments | City of Walthourville |
| | <ul style="list-style-type: none">• Water Department• Fire Department• Police Department | Mr. Patrick Golphin
Deputy Chief Chance Chandler
Chief Christopher Reed |
| X. | Citizens Comments | Walthourville Citizens |
| XI. | Mayor's Update | Mayor Sarah B. Hayes |
| XII. | Elected Officials' Comments | City of Walthourville |
| | <ul style="list-style-type: none">• Mayor Pro Tem Luciria L. Lovette• Councilmember Mitchell Boston• Councilmember Patrick Underwood• Councilmember Bridgette Kelly• Councilmember Robert Dodd | |

XIII. Office of the Mayor

Mayor Sarah B. Hayes

XIV. Executive Session

None

XV. Adjournment

Mayor and Council

When an Executive Session is needed, it is called for the following:

(Litigation, Personnel, and Real Estate)

City of Walthourville
Mayor and Council Meeting Minutes
January 14, 2025 @ 6:00 PM
Walthourville Police Department

- I. Call to Order: The meeting was called to order at 6:00 PM by Mayor Sarah B. Hayes.
- II. Roll Call: The roll was taken by the City Clerk with the following members present:

Mayor Sarah B. Hayes
Councilman Mitchell Boston
Councilwoman Bridgette Kelly
Mayor Pro Tem Luciria L. Lovette
Councilman Patrick Underwood

Member Absent: Councilman Robert Dodd.

The attendance of the council constituted a quorum.

Attorney Luke R. Moses entered the meeting at 6:21 PM.

- III. Invocation: The invocation was given by Chief Maxwell.
- IV. Pledge of Allegiance: The Pledge of Allegiance was recited in unison.

Mayor Hayes requested a Moment of Silence to honor the Late President Jimmy E. Carter. President Carter issued the Charter for the City of Walthourville in 1974 when he was Georgia's Governor.

- V. Approval of Agenda: The motion to approve the agenda was made by Councilmember Kelly and the second was added by Councilmember Boston.
Vote: 4-0: Motion Carried Unanimously.
- VI. Approval of Minutes: The motion to approve the following minutes:

- December 10, 2024 Regular Meeting Minutes, the motion to approve was made by Councilmember Boston and the second was added by Councilmember Underwood. Vote: 3-1: Motion Approved
Voting Favorably: Councilmembers: Boston, Underwood and Kelly.
Opposing: Mayor Pro Tem Lovette.
- December 27, 2025 FY 2025 Budget Adoption Minutes, the motion to approve was made by Councilmember Kelly and the second was added by Councilmember Boston. Vote: 3-1: Motion Approved.
Voting Favorably: Councilmembers: Boston, Underwood and Kelly.
Opposing: Mayor Pro Tem Lovette.

- January 7, 2025 Special Called FY 2025 Budget Amendment Meeting Minutes. The motion to approve was made by Councilmember Boston and the second was added by Councilmember Underwood.

Vote: 3-1: Motion Approved

Voting Favorably: Councilmembers: Boston, Underwood and Kelly.

Opposed: Mayor Pro Tem Lovette.

VII. Presentations

- Atlantic Waste

Mr. Sam Sullivan

Mr. Sullivan reported that the conversion to Atlantic Waste was going really well. They have received a small number of calls from citizens. He said the drivers and crew are learning the routes and the dynamics of the city. He gave accolades to the City Hall Team in helping to make this transition smooth. He stated Atlantic Waste would be cleaning up the city by bringing in their grapple trucks to clean the city up from Bulk Waste. Mr. Sullivan stated the calls they received were from citizens stating they had bulk that the City of Walthourville did not/would not pick up. He spoke with Atlantic Waste owner, Mr. Walls and they decided at no additional cost to the city to come out and clean it up and start fresh. They expect to have this completed by February 1st.

Mr. Sullivan showed a display of an "out of compliance," tag that Atlantic Waste will begin using in February when a citizen has trash that is out of the scope of a normal pickup. He added the turnaround time for getting a trash can to a citizen would be 24 hours. He stated that he was happy thus far with the conversion and he only expects things to get better.

- Liberty County Tax Assessor

Chief Appraiser Keith Payne

Mr. Payne and his team presented a presentation about the duties of the Tax Assessor's Office. The purpose of the Tax Assessor's office is to assess property at Fair Market Value (OCGA 48-5-2(3)). "Fair market value of property" means the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale. The income approach, if data are available, shall be considered in determining the fair market value of income-producing property. If actual income and expense data are voluntarily supplied by the property owner, such data shall be considered in such determination. Notwithstanding any other provision of this chapter to the contrary, the transaction amount of the most recent arm's length, bona fide sale in any year shall be the maximum allowable fair market value for the next taxable year. With respect to the valuation of equipment, machinery, and fixtures when no ready market exists for the sale of the equipment, machinery, and fixtures, fair market value may be determined by resorting to any reasonable, relevant, and useful information available, including, but not limited to, the original cost of the property, any depreciation or obsolescence, and any increase in value by reason of inflation. Each tax

assessor shall have access to any public records of the taxpayer for the purpose of discovering such information. Mr. Payne referenced Bona Fide Sale which is Arm's length, bona fide sale" means a transaction which has occurred in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing buyer and a willing seller, each acting in his or her own self-interest, including but not limited to a distress sale, short sale, bank sale, or sale at public auction.

1. "Current use value" of bona fide conservation use property means the amount a knowledgeable buyer would pay for the property with the intention of continuing the property in its existing use and in an arm's length, bona fide sale and shall be determined in accordance with the specifications and criteria provided for in subsection (b) of Code Section 48-5-269.
2. "Current use value" of bona fide residential transitional property means the amount a knowledgeable buyer would pay for the property with the intention of continuing the property in its existing use and in an arm's length, bona fide sale. The tax assessor shall consider the following criteria, as applicable, in determining the current use value of bona fide residential transitional property:
 - A. The current use of such property.
 - B. Annual productivity; and
 - C. Sales data of comparable real property with and for the same existing use.

Mr. Payne gave notable dates that are important to the Tax Assessors Office.

- January 1st Property is assessed.
- January 1st-April 1st is the period to file an appeal on the assessed value.
- April 1st is the deadline to file for a Homestead Exemption.
- May 12th the Tax Assessors notices are mailed, citizens have 45 days to appeal.

He also gave information on the Kemp, Deloach and Williams Tax Relief Exemption Bill. That bill, cosponsored by then-State Sen. René Kemp and State Reps. Al Williams and Buddy Deloach, capped Liberty County taxes at 3% or the cost of living, whichever is less.

Mr. Payne stated that his office is open to and available to answer and assist any citizens.

VIII. Agenda Items:

1. LCPC

Mr. Todd Kennedy

Business License Request for a Cottage Food Business. Ms. Bianca Williams applied for a Food Cottage License. She presented her business plan to the Mayor and Council and informed them she had worked in the food industry from McDonalds to a 5 Star Resort. She will be selling candy fruit treats and there will be no visitors to her home, and she will also have a food truck. Councilmember Boston asked if the Fire Department has conducted an inspection. Inspections occur after the council approves the license, the inspection is arranged between the Business License Clerk, Ms. Jackson and Chief Maxwell. The motion to approve was made by Councilmember Boston and the second was provided by Councilmember Kelly.

Vote: 3-1: Motion Carried.

Councilmembers voting favorably: Boston, Underwood and Kelly.

Member Abstaining: Mayor Pro Tem Lovette.

2. LCPC

Mr. Todd Kennedy

Business License Request for a Home-Based Business. Mr. Kennedy stated the applicant Ms. Ward was ill and unable to make the meeting. Mr. Kennedy stated the proposed business is home based that will consist of Christian Life Coaching. Sessions will be conducted virtually and the name of the business is Blossoming with Jiren LLC and the location will be 128 Dorsey Road. The motion to approve was made by Councilmember Boston and the second was added by Councilmember Underwood.

Vote: 3-1: Motion Carried.

Councilmembers voting favorably were: Boston, Underwood and Kelly.

Member Opposed: Mayor Pro Tem Lovette.

3. LCPC

Mr. Todd Kennedy

Business License Request for a Home-Based Business. Mr. Kennedy presented the business license request for a Personal Service Shop that will provide beauty and salon services. The Business Owner is Ms. Lamonica Jenkins and the address is 4981 West Oglethorpe Highway. Ms. Jenkins stated she wanted to do something different, offer a different service. The motion to approve was made by Councilmember Boston and the second was added by Councilmember Underwood.

Vote: 3-1: Motion Carried.

Councilmember voting favorably: Boston, Underwood and Kelly.

Member Opposed: Mayor Pro Tem Lovette.

4. City of Walthourville

Ms. Shana T. Moss

Cybersecurity. Ms. Moss stated this would be a two part presentation, consisting of herself and Mrs., Jessica Ivey, with VC3. Mrs. Ivey was present by telephone. Ms. Moss stated the city's IT Provider, VC3 recommended the City Hall and Police Servers were outdated. The Mayor and Council were notified on September 19, 2024 at the first budget workshop that servers at both locations were needed. The cost and installation to replace both servers would cost approximately \$45,000. Ms. Moss stated the servers were not placed in the FY 2025 Budget; therefore, the city

had to seek other alternatives to obtain servers. The State of Georgia is offering a State and Local Cybersecurity Grant Program. This program is a U.S. Federal Grant Program designed to enhance cybersecurity measures at the state and local government level. Under this grant program, 80% of the program is covered by the Federal Government and the municipality's match is 20%.

Mrs. Ivey, stated that VC3 is always working to enhance and protect the clients they service. She added the city and police departments servers were no longer protected by Microsoft and that the servers were in jeopardy of crashing, it is no longer if they crash but when. She does not want the situation to get to this point. She further stated the cost of both servers, labor and hardware, will cost \$44,710.00 and the city's portion (20%) would be \$8,942.00. The city's portion would not have to be paid in this budget year the payment could be extended to 2027. She wanted to remind the Elected Officials that the current servers (City Hall and Police Department) are 4 to 5 generations behind, they were outdated in 2023. This leaves the city's information vulnerable to attacks and hacking.

Mayor Hayes stated she understands the city's servers are outdated and need to be replaced. She wanted to ensure that the city would not have to pay 20% out of the FY 2025 Budget. Mrs. Ivey said, "that is correct." Councilmember Underwood said, "the city does not have the \$8,942.00 this year, next year, and we won't have it in 2027." Councilmember Boston said the city does not have the money and it was not budgeted for the servers. He added that he is still concerned that the city is spending money they do not/will not have. Councilmember Kelly asked, "the city does not have the audits completed, will we qualify for this grant." Mrs. Ivey stated, "yes," she has researched the city and the specifics and the city would qualify." Councilmember Kelly asked, "was there a grant or any funds to help the city with the 20% match. Mrs. Ivey said she felt there was funding, and she would look into it. Councilmember Kelly said she does not see how the city can afford to replace the server without eliminating some employee jobs or cutting salaries. Mrs. Ivey stated the deadline to apply for this grant was January 20, 2025 which is MLK Holiday and the city would be closed. The Mayor and Council took no action. Councilmembers Boston and Kelly stated they needed to look at a few things and they would be in touch.

The Council voted to advertise and hire a grant writer. The motion to advertise, hire and have the grant writer's salary be deducted from the grant was made by Councilmember Kelly and the second was added by Councilmember Boston.

Vote: 3-1: Motion Carried.

Members voting favorably: Boston, Underwood and Kelly.

Member Abstaining: Mayor Pro Tem Lovette.

5. City of Walthourville

Mayor Sarah B. Hayes

Allenhurst Fire Fee Update. Mayor Hayes stated the proposed Fire Fee is \$25.00 per household. She stated Allenhurst has shopped around, they have contacted Liberty County and Hinesville because they thought they could get a better deal.

The Town of Allenhurst have not had an opportunity to inform their citizens about them paying a Fire Fee. More information will be forthcoming when a date is scheduled for the citizens meeting.

6. City of Walthourville Mayor Sarah B. Hayes
Stated the city needed to find another auditor. The firm of Deal, Lanier and Proctor were no longer going to serve the city. CKH recommended the firm of James Moore. They are based in Florida and have multiple municipalities they audit. No action was taken on this firm because the council wanted to know how far Deal, Lanier and Proctor had gotten on the audits. Mayor Hayes will obtain this information and inform the council.

7. City of Walthourville Councilmembers
Councilmember Boston stated he has spoken to the Department Heads in both the Fire Department and Public Works. The city has several (7) vehicles that he would like to move forward in selling. The vehicles identified and the price are as follows:
- | | |
|----------------------------------|------------------------------------|
| Ford Ranger-Mosquito Truck | \$2,000 |
| 2-FI50's | \$4500 & \$6500 |
| 2-Garbage Trucks | \$60,000 (old) and \$100,000 (new) |
| Ford Bronco (Fire Department) | \$5,000 |
| Crown Victoria (Fire Department) | \$ 2,000 |

Attorney Moses asked the council how were they proposing to sell these vehicles? Several councilmembers said by auction. Attorney Moses stated the sales could take place by 1. Sealed Bids, 2. Live Bids, and 3 Online Sale. Mayor Hayes stated with be a government entity the best ideal would be to post on Gov Deals. Also, the newest garbage truck, the city stills owes on that vehicle and does not have a clear title. The city's newer garbage truck was removed from the sale. The motion to move forward with selling these vehicles, excluding the garbage truck that the city owes was made by Councilmember Boston and the second was added by Councilmember Kelly.

Vote: 3-1: Motion Carried.

Members voting favorably: Boston, Underwood and Kelly.

Member opposed: Mayor Pro Tem Lovette.

IX. Department Reports
Water Department
Had no report

Mr. Patrick Golphin

Fire Department Chief Nicolas Maxwell
Reported the Fire Department answered 745 calls in 2024, which was a 5% drop. Also, The city is no longer answering calls to the unincorporated area of Liberty County. Thus far the department has received 72 calls, 49 of which have been medical calls.

Police Department Chief Christopher Reed
Reported the Police Department will begin having Neighborhood Watch Meetings. BINGO for Senior Citizens will begin on February 7th. He added the hours for the Police Department being open are 8:00 AM-5:00 PM, Monday-Friday. Chief Reed

further added that all officers are dispatched from 911 and not from calling the office. The substation located at 1457 Dunlevie is open and utilized by the department. The technology fee yielded \$13,500 in revenue for 2024.

X. Citizens Comments None

XI. Council Comments

Councilmember Boston: stated the budget needs to be reviewed, again and the city should be placed on a hiring freeze. He said the county reached out to him about the landfill bill.

Councilmember Underwood: stated he agreed with everything Councilmembers Boston said. The line items need to be looked at within the budget.

Councilmember Kelly-stated she has been saying the city needs to have more than one bank. Mayor Hayes asked why, she said, if the city needed to borrow money, they would have more than one option. She said she would like the City's Fire Fee to be opened at a different bank. They identified that the Queensborough Bank would be the bank to open the Fire Fee Account. The motion was made by Councilmember Kelly and the second was added by Councilmember Boston. With both Boston and Kelly being authorized signers and having financial access, City Clerk Moss asked if they would like to open the account. This question was asked so there would be no ambiguity about the account.

XII. Mayor's Comments: Mayor Hayes

XIII. Executive Session: At 8:17 PM a motion to enter into Executive Session for Personnel and Real Estate was made by Councilmember Kelly and the second was added by Mayor Pro Tem Lovette.

XIV. Adjournment: At 8:56 PM a motion to adjourn was made by Councilmember Boston and the second was added by Councilmember Kelly.



191 Peachtree Street NE, Suite 700 • Atlanta, GA 30303



201 Pryor Street, SW • Atlanta, GA 30303

ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA & GEORGIA MUNICIPAL ASSOCIATION

HB 581 (2024): Frequently Asked Questions Document

The Local Opt-out Floating Homestead Exemption & Floating Local Option Sales Tax (FLOST)

House Bill 581 was passed by the Georgia General Assembly during the 2024 legislative session and was signed into law by Governor Kemp on April 18, 2024.

HB 581 provides for several significant changes impacting local government revenue. Counties and cities must understand these changes and be prepared to make critical decisions in the coming months that will have lasting impacts. In general, HB 581 has three major components: first, the bill provides for some procedural changes to property tax assessments and appeals; second, the bill provides for a new statewide homestead exemption that applies to local governments unless the local government affirmatively opts out; third, the bill creates a new local option sales tax available to be used for property tax relief.

This document provides frequently asked questions (FAQs) to give an overview of the key provisions of the bill, the statewide homestead exemption and new local option sales tax, and the considerations local governments must have in mind. Appendix A then includes an outline of these key provisions to help guide local decision making.

A. Generally

1. In a nutshell, what is HB 581 (2024) about?

HB 581 contains multiple provisions related to property tax and sales tax. Most relevant to this FAQ, the bill:

- a. Grants a statewide homestead exemption that limits the increases in the taxable value of homes to no more than the inflation rate that occurred over the prior year;
- b. Allows local governments to elect to opt out of this homestead exemption within their jurisdiction so that it will not apply to their taxable values; and
- c. Authorizes most local governments with the new homestead exemption (or equivalent) to levy a new sales tax to be used for property tax relief.

2. Where did this proposal come from and what was the reason?

Entering the 2024 legislative session, many legislators were concerned with the rapid rise in property values across the state, and in turn, the rise in property taxes. The homestead exemption proposal came from the General Assembly and was first introduced in the Senate. The reason was to provide more certainty to homeowners who are concerned about the significant increases to the taxable value of homes in recent years. Under this bill, if the local government does not opt out, then the homeowner knows their value may not increase by more than the rate of inflation, which prevents large jumps and helps them budget.

The sales tax provision (FLOST) came from the House and was originally designed as a flexible new sales tax to act in place of sales tax laws written to apply to only one jurisdiction, such as that for the Coliseum SPLOST for Augusta-Richmond County; however, it changed throughout the legislative process to become a method to reduce millage rates imposed on all properties (homestead and non-homestead).

B. The Homestead Exemption of HB 581

1. What type of homestead exemption does HB 581 provide? Is there a difference between floating, base-year, adjusted base-year, and frozen homestead exemptions?

The core purpose of any base-year, floating, or frozen homestead exemption is to reduce or eliminate the tax impact of increases in the fair market value of a homesteaded property that occur following the purchase of a home. The terms are generally synonymous and used to describe either the practical or technical effect of the exemption. The key difference is whether such an exemption allows for adjustments to the base year value based on a standard rate or the inflation rate.

For a base-year, floating, or frozen homestead exemption **without** an adjustment factor, the value of the exemption changes or floats each year to always equal and exempt the full difference between the base-year value of the home and the current value of the home, so that the taxable value of the home never increases (but the millage rate may still increase). These are most often called frozen exemptions because the assessed value of the home is blocked from increasing (and often, from decreasing).

For a base-year, floating, or frozen homestead exemption **with** an adjustment factor, the base year and the base year value for a homestead does not change, but the base year value is adjusted annually by a percentage equal to either a set rate or the inflation rate that occurred during the prior year. These are best called adjusted base-year homestead exemptions.

In the case of HB 581, practically speaking, the homestead exemption limits the amount of any increase in the assessed value of homes to no more than the rate of inflation experienced over the prior year—it does not freeze the value. This is best described as an adjusted base-year homestead exemption, because it grants an exemption equal to the difference between the homestead's adjusted base-year value—generally the value for the year prior to the homeowner's application for the exemption plus an inflation factor for each year since the exemption was first granted—and the current year's true value.

It is important to note that most of these homestead exemptions do account for substantial changes in the property. For example, if a homeowner doubles the size of their house, then the base-year value may be increased, regardless of any freeze or limitation, but thereafter, the new base-year value enjoys the benefit of the exemption. Also important to note, these exemptions do not stay with the property nor the property owner when a change in ownership occurs. If an individual sells their home, the taxable value of that home resets to fair market value for the next owner. Similarly, the individual cannot carry the value of the exemption to their new home.

2. How is the value of the HB 581 homestead exemption determined?

The value of the exemption is unique to each individual property and will generally change each year for such properties. The core purpose of a base-year or floating homestead exemption is to reduce or eliminate the impact of increases to the fair market value of a homestead. In the case of HB 581, the homestead exemption prevents rapid increases in the assessed value of homes but does not freeze the value.

HB 581 is considered an adjusted base-year homestead exemption, because it allows the homestead's base-year value to increase annually by up to the inflation rate determined by the State Revenue Commissioner (likely the consumer price index) which occurred during the prior year. The value of the exemption is the difference between the adjusted base-year value and the fair market value. Even if two properties begin with identical base year values, if the fair market value of the properties diverge over time, then the property with the higher fair market value will receive the larger exemption while potentially paying the same in property taxes.

3. If my local government wants to opt out of the HB 581 homestead exemption, how can we do that?

As authorized through a constitutional amendment (HR 1022 (2024)) and outlined in HB 581, the opt-out process is very similar to the "public notification of tax increase" process that is required when a local government does not fully rollback its millage rate. The local government seeking to opt out of the HB 581 homestead exemption must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State. The process may not begin until the effective date of the bill on January 1, 2025, and must be completed by March 1, 2025. Each local government (county, city, school) may independently make the decision whether to opt out; any combination may elect to do nothing or opt out of the HB 581 floating homestead exemption. If a local government opts out, its taxpayers will not receive the benefit of the exemption, and their property will be taxed (absent other exemptions) at the property's fair market value.

4. Should my local government opt out of the homestead exemption if we already have another form of a floating, base-year, or frozen homestead exemption?

There are at least a few things to consider when answering this question for your jurisdiction.

First, how far does your current floating homestead exemption extend? Does it cover all millage rates, including those for special districts? The reason that this is important to answer is that the HB 581 homestead exemption extends to all millage levies except for any bond levies.

Second, does your current homestead exemption incorporate any form of inflationary or automatic increase? The value of the HB 581 homestead exemption for each homeowner is, in effect, reduced annually by the amount of inflation that occurred over the prior year, which allows the taxable value of the homestead to rise over time in-line with inflation. If your jurisdiction has a set rise over time that is expected to exceed the inflation factor in HB 581, then your jurisdiction may want to opt out.

Third, if the homestead exemptions are equivalent, you may want to consider opting out of the HB 581 floating homestead exemption to reduce confusion. Your jurisdiction would still have access to the new sales tax for property tax relief (FLOST) assuming all the conditions to impose the tax are met.

5. Does the HB 581 homestead exemption apply to community improvement districts (CIDs)?

For all practical purposes, the homestead exemptions would not apply to CID's as CID's may only levy taxes on nonresidential property. Ga. Const. Art. IX, Sec. VII, Para. III(c).

6. How does the HB 581 homestead exemption affect tax allocation districts (TADs)?

The homestead exemption could potentially reduce the amount of expected property tax revenue growth within the TAD by limiting the assessed value increase of homestead property over time. This question requires analysis specific to the TAD in question.

7. Can the HB 581 floating homestead exemption be later repealed for my county or city?

If a jurisdiction elects not to opt out of the HB 581 homestead exemption, they will not have an opportunity to opt out in the future and will have the homestead exemption permanently. There may be a method to remove such jurisdictions in the future, but it would require a change to general law or a constitutional amendment done by the legislature.

8. Will the HB 581 homestead exemption affect a homeowner's existing homestead exemptions?

HB 581 does not eliminate any existing homestead exemptions for any jurisdiction, regardless of the type of homestead exemption, but it may override existing floating, base-year, and frozen exemptions, if the HB 581 exemption provides a greater benefit to the taxpayer.

- a. If your local government has an existing non-floating homestead exemption, such as an exemption for \$5,000 of assessed value, that will be unaffected by HB 581. The floating homestead exemption is calculated first, and then the non-floating exemptions are calculated on the back end. That said, if the existing, non-floating local homestead exemption says that it may not be applied in addition to any other homestead exemption, then it may not be applied.
- b. If your local government has an existing base-year homestead exemption, then the taxpayer will receive whichever provides them with the largest benefit in any given year. Your tax assessor's office will be responsible for tracking both floating homestead exemption values in addition to the fair market value.

For example, if there is an existing base-year or floating homestead exemption that does not have inflationary increases, then it would generally provide the larger benefit to the taxpayer. Similarly, if the base-year of a homestead exemption that is comparable to HB 581 pre-dates HB 581's base-year, then the older base year will likely provide the larger benefit.

9. Will it affect the county's ability to impose a FLOST if another city opts out of the homestead exemption granted by HB 581?

Yes, if a city that imposes a property tax opts out, then the county and all cities within the county will be ineligible for the FLOST. If a city that does not levy a property tax opts out, then it would not affect the ability for the county to levy a FLOST. If even one city that opts out does levy a property tax at such time, then the FLOST would not be permitted. Of course, jurisdictions may opt out and not impact eligibility if the jurisdiction has another eligible homestead exemption in place.

10. If the county opts out of the homestead exemption will this impact a municipality's ability to impose a FLOST?

Yes. Similarly, if a county opts out all municipalities in the county will be ineligible for the FLOST unless the county has another eligible homestead exemption in place.

11. If a municipality or a county opts out of the HB 581 homestead exemption will homesteads have multiple assessed values for tax assessment?

Yes, if the homestead exemption applies for some but not all jurisdictions, the taxable value of the property will essentially be different. The fair market value of a property is the same for all taxing jurisdictions where the property is subject to property tax. Homestead exemptions are applied after the fair market value of the home is determined and reduce the taxable value of the home—the taxable value may be different among jurisdictions based on applicable homestead exemptions.

Every county assessor's office is required to maintain a set of books with the fair market value of the property. The assessor's office will be required to maintain two or more sets of values if there are one or more floating homestead exemptions. Each homestead may have a different base-year value across multiple jurisdictions, but this will be tracked by the assessor's office.

12. For a home that has an exemption under HB 581, what happens if the home is substantially improved or is destroyed? How are changes to the home's value that do not result from market forces handled?

Substantial changes to the property are considered when assessing the property. Any substantial change will increase or decrease the adjusted base year value of the home.

Example: The adjusted base year value of a home as of January 1, 2028, was \$500k. During 2028, the homeowner doubles the square-footage of her home and adds a swimming pool. As of January 1, 2029, the tax officials for the county determine that the changes to the home increase the value by \$200k. The adjusted base year value for the 2029 tax year = \$500k (the 2028 ABYV) + \$200k (substantial change value) + any applicable inflation factor.

13. If my local government opts out of the floating homestead under HB 581, can we opt in at a later date?

If your local government opts out, there is no future opportunity for the local government to unilaterally opt-in or rejoin the HB 581 exemption.

However, a local government may still obtain a similar homestead exemption in a traditional manner. The General Assembly may pass a local Act creating an equivalent local floating homestead exemption. This would require 2/3's vote in the General Assembly and a local referendum. The General Assembly may do this against the will of the local government. We encourage you to maintain a dialogue with your local legislators, especially if you intend to opt out.

14. If my local government opts out of the HB 581 floating homestead exemption and our legislative delegation disagrees with that decision, can they take action to mandate the floating homestead exemption on my local government?

If your local government opts out of the HB 581 floating homestead exemption and your legislative delegation disagrees with that decision, your local delegation can pass a local Act to impose a floating homestead exemption within the jurisdiction. HB 581 has not changed the ability of the legislature to create specific homestead exemptions for local governments. This local Act would be subject to 2/3 vote in the General Assembly and approval by the voters in a local referendum. If the referendum is successful, then your local government would be subject to the homestead exemption provided for in the local Act, even though you opted out of the HB 581 exemption.

Note: A local government could elect to opt out of the HB 581 exemption and ask their local delegation to proceed with a more customized version of the homestead exemption.

15. Can the floating homestead exemption be transferred to a new owner of the home?

No, the homestead exemption is not portable or transferable—it is tied both to the property owner and the home. However, in the case of a surviving spouse who was not on the deed at the time of their spouse's death, said surviving spouse may continue the homestead exemption in the same manner as the deceased spouse, provided that the surviving spouse is otherwise eligible for the homestead exemption.

For anyone else that acquires the home as a homestead, the base-year and base-year value will be reset to the year prior to the person's acquisition of the home and to the actual value for the home for such prior year.

16. How much land can be included in a qualified floating homestead exemption?

Georgia state law states that the homestead exemption applies to the homestead and the land immediately surrounding the homestead; there is no specification for acreage. Many local homestead exemptions do limit the total acreage. It is likely up to local interpretation as to what

land constitutes the land “immediately surrounding” the homestead. The exemption would not include buildings or structures on the property, which are not part of the homestead dwelling, itself.

17. Does the HB 581 floating homestead exemption apply to special service districts?

Yes, the HB 581 floating homestead exemption applies to all millage rates except for millage rates to retire bonded indebtedness.

Point to consider: If the local government has an existing floating homestead exemption that *does not* apply to special service districts, then you may want to consider opting out, so your special service district millage levies are unaffected.

18. If a homeowner’s assessed value was locked following their appeal to the Board of Equalization in 2022, would that value be used for the 2024 base year for the purposes of the HB 581 exemption?

The homestead’s final assessed value for the base year is the base year value for the purposes of the HB 581 exemption. Code Section 48-5-44.2(a)(3)(A). Accordingly, if the locked assessed value from 2022 is what was lawfully used as the homestead’s final assessed value for 2024, then that taxpayer would have their HB 581 2024 base year assessed value set at that same amount.

19. Will the market value or the adjusted base year value be used when calculating value increases to the tax digest that are factored into the rollback millage rate that cannot be exceeded without advertising a tax increase?

The digest value for rollback purposes utilizes the net taxable digest, which is the value of the digest *after* exemptions are accounted for.

C. The Floating Local Option Sales Tax (FLOST)

1. Generally, what is the FLOST?

The Floating Local Option Sales Tax or FLOST (named for its relation to the floating homestead exemption) is a new sales tax that can be levied up to 1 percent and collected county-wide. Funds are split between the county and cities based upon an intergovernmental agreement (IGA) and used for property tax relief.

2. What are the minimum requirements for a given county or municipality to be eligible to levy a FLOST?

- a. The county or municipality must levy a property tax and have a base-year or floating homestead exemption in effect¹;
- b. All other municipalities within the county that currently levy a property tax must also have a base-year or floating homestead exemption in effect²;
- c. The county or municipality must have available room under the overall sales tax cap³;
- d. The county and the applicable number of municipalities must enter into an intergovernmental agreement as required under Code Section 48-8-109.31(d)(1)(B);
- e. Hold a successful local referendum⁴; and
- f. Utilize the proceeds for property tax relief and in accordance with the IGA⁵.

3. Who must sign the intergovernmental agreement to authorize the referendum for the FLOST?

The county must reach an intergovernmental agreement with municipalities levying a property tax that represent at least 50% of the total municipal population within the county. This minimum requirement does not preclude more municipalities than those representing 50% of the municipal population from signing the IGA if all parties agree.⁶

Any municipality that does not sign the IGA is treated as an 'absent municipality' and will receive proceeds from the FLOST based upon the size of its population relative to the total municipal population within the county, excluding any municipalities that do not levy a property tax. Municipalities that do not levy a property tax are excluded from the calculations and from sharing in FLOST revenues.⁷

¹ Code Section 48-8-109.31(d)(1)(A).

² Code Section 48-8-109.31(d)(1)(A).

³ Code Section 48-8-6(a).

⁴ Code Section 48-8-109.32.

⁵ Code Section 48-8-109.42.

⁶ Code Section 48-8-109.31(d)(1)(A).

⁷ Code Section 48-8-109.31(d)(2).

4. What must an IGA to levy FLOST include?

- a. The rate of the tax: incremental in .05% increments up to a full 1.0%;
- b. The duration of the tax: up to 5⁸ years;
- c. Provisions for calling the referendum for the tax, including the question for the ballot;
- d. The distribution schedule⁹ apportioning proceeds among:
 - i. County
 - ii. Municipalities
 - iii. Absent Municipalities
- e. The IGA is not required to specify how property tax relief is to be applied but may do so.

5. How is the sales tax referendum scheduled?

First, there must be a valid intergovernmental agreement between the county and cities specifying the distribution of the tax. Next, the county may call for the sales tax referendum similar to other sales tax referenda.¹⁰

6. Is a local referendum necessary to impose the FLOST even if the ballot measure in November is successful?

Yes. It is important to note that the ballot question in November of 2024 proposes a constitutional amendment which enables the homestead exemption. If this amendment is not approved, all of HB 581 (including the FLOST) is repealed. If the constitutional amendment is approved, a subsequent referendum within the county is still required to levy the FLOST. Counties and cities should be mindful that the FLOST must be approved by voters in the county to be levied when making policy decisions concerning the homestead exemption.

7. Does FLOST revenue affect the rollback millage rate that is calculated for the purposes of Code Section 45-5-32.1 (Taxpayer Bill of Rights), which requires the advertising of a property tax increase, if exceeded?

Yes. Unlike LOST, the total amount of FLOST collected in the preceding calendar year must be subtracted from the millage equivalent calculated to provide the jurisdiction with the same net proceeds from the current year's net taxable digest value as those derived from the previous year's millage rate when multiplied by the previous year's net taxable digest value.

⁸ Code Section 48-8-109.32(a).

⁹ Code Section 48-8-109.36(2).

¹⁰ Code Section 48-8-109.32.

8. What can the FLOST revenues be used for?

FLOST revenue must be used for property tax relief. Per Code Section 48-8-109.42, FLOST revenues:

- “[S]hall be used exclusively for tax relief and in conjunction with all limitations provided in the intergovernmental agreement authorizing the tax for such political subdivision.”
- Additionally:
 - “Each taxpayer’s ad valorem tax bill shall clearly state the dollar amount by which the property tax has been reduced as a result of the imposition of the tax imposed under this article”; and
 - “The roll-back rate for the political subdivision, which is calculated under Code Section 48-5-32.1 [Taxpayer Bill of Rights], shall be reduced annually by the millage equivalent of the net proceeds of the tax authorized under this article, which proceeds were received by the political subdivision during the prior taxable year.”

9. In what ways may the local government calculate and apply the FLOST property tax relief to the property tax bill?

Outside of the parameters in Code Section 48-8-109.42, jurisdictions have latitude to apply the funds for legal purposes within the special district and as may be provided for in the intergovernmental agreement.

- The tax relief must be applied uniformly across all forms of tangible property within the given taxing jurisdiction for which it applies. For these purposes, taxing jurisdictions for which property tax relief may be granted can be the county, a municipality, or a special district, provided that the application is uniform within the given taxing jurisdiction.
- When the credit or reduction is shown on the taxpayer’s property tax bill, it **MUST** be applied as property tax relief, which would be a reduction in a charge that is assessed and levied upon the value of a property. The credit *cannot* reduce any charge or fee, which is not levied upon the value of the property (ad valorem). If a flat dollar amount is shown on the property tax bill, said dollar amount must be derived from the taxpayer’s savings from the reduction in the millage rate or assessed value.
- While not required, the best practice is to include within the required IGA exactly how the proceeds of the FLOST will be applied as property tax relief.

10. What types of communities would benefit most from a FLOST?

Communities that wish to supplant property taxes with sales tax would benefit from FLOST. It is a policy decision that would be expected to shift some of the tax burden imposed on the local government’s property owners to those who make purchases within such jurisdiction. Accordingly, communities with sales tax revenues derived disproportionately from those living outside of the local government’s jurisdiction would expect to see a net benefit for its property owners by shifting the tax burden to consumers; whereas those communities that have disproportionately few property owners among its many resident consumers would find only a shifting of the tax burden within the jurisdiction.

11. How often does the FLOST have to be voted on?

FLOST may be implemented for up to 5 years at a time, so at least every 5 years. Moreover, all FLOST renewals require a local Act of the General Assembly, so there is no renewal without a local Act and a new IGA, and passage in a local referendum.¹¹ While there is no requirement of a local Act to initially levy the FLOST any subsequent renewal does require a local Act from the General Assembly.

12. My county doesn't have a LOST. How will this affect my county, city, etc.?

Having a LOST is not a requirement for the FLOST. LOST is the most similar sales tax to the FLOST, but the way property tax relief is calculated under FLOST is more flexible than LOST.

13. Does this bill require the Department of Revenue to provide point-of-sale information?

This bill does not require DOR to provide point of sale information but does require such information to be furnished to DOR by the retail establishments that are required to collect the tax. All sales for FLOST occur countywide (within the special district which is conterminous with the boundaries of the county), except in the case of a county containing a municipality that levies the Water and Sewer Projects Cost Tax (MOST), in which case the FLOST is not collected within the boundaries of the MOST city.

14. Are Water and Sewer Projects Cost Tax (MOST) cities ineligible for a FLOST?

Yes, the cities that levy a MOST tax are ineligible to levy or receive proceeds from FLOST. This means that they are not counted when determining the municipal population in the county levying the LOST, the city levying the MOST cannot share in the proceeds of the FLOST, and the FLOST may not be levied within the municipal boundaries of the city levying the MOST.

Currently, the MOST cities are: Atlanta, East Point, College Park, and Hapeville.

15. If the school board opts out of the floating homestead exemption, can the county and municipalities still levy the FLOST tax?

Yes, if the school board opts out, you can still levy the tax assuming all other requirements are met. Schools generally cannot receive revenues from sales taxes other than those authorized by the Constitution (ESPLOST) and certain existing Local Constitutional Amendments (ELOSTs), so it would require such a constitutional amendment specifically authorizing or requiring that school districts receive a share in the FLOST.

¹¹ Code Section 48-8-109.33(c)

16. If my jurisdiction opts out of the HB 581 floating homestead exemption and has an existing base-year or floating homestead exemption, but which only applies to the general maintenance and operations (M&O) levy, would my jurisdiction be blocked from participating in the FLOST?

No, not on that basis alone. If your local government has an existing floating or base-year homestead exemption of any kind, you may still qualify for the FLOST, even if you opt out of the HB 581 floating homestead exemption. HB 581 only requires that you have some form of a base-year or floating homestead exemption to participate in FLOST. Such exemption can either be a local floating homestead exemption (predating HB 581 or added after) or the HB 581 floating homestead exemption. Please note that the HB 581 floating homestead exemption will apply to all levies, including special service districts, except for bonded indebtedness.

17. If my county or city decides to opt of the homestead exemption, is it forever ineligible to levy the FLOST?

No. First, your city or county may already have a homestead exemption in place making them eligible for the FLOST. Second, if there is no homestead exemption in place and your county or city opts out, it can once again become eligible to levy the FLOST in the future through a subsequent eligible homestead exemption put in place by a local Act of the General Assembly.

18. What happens if we pass a FLOST and our legislative delegation does not approve the renewal, or the voters do not renew it?

If you pass a FLOST and your legislative delegation does not approve the renewal or the voters do not renew it, then the most likely outcome is an increase in the applicable millage rates. Since FLOST is sales tax being used to offset property tax, if the FLOST expires, the local government will have to cut expenses, raise property taxes, or some combination thereof.

19. If my county has an ELOST, can we utilize the FLOST?

If your county has an ELOST, the availability of FLOST depends on a few factors:

- a. Does the exact verbiage of the local constitutional amendment (LCA) limit the distribution of proceeds in the way that FLOST requires? Some of the LCAs are very permissive, and others are very restrictive. Please consult with your local jurisdiction's attorney for a legal opinion.
- b. Is the jurisdiction otherwise eligible to levy a FLOST?
- c. Does the jurisdiction have sufficient room under its local sales tax cap to levy a FLOST? See Code Section 48-8-6(a).

ELOST Counties: Habersham County; Chattooga County; Catoosa County; Harris County; Pickens County; Walton County; Houston County; Towns County.

Appendix A: HB 581 - Timeline/Decision Tree

- 1) November 5, 2024: Statewide ballot measure determining approval of constitutional amendment enabling homestead exemption.
 - a) If the ballot question is not approved, HB 581 is repealed in its entirety. No further action is needed by local governments. All other property tax changes and the FLOST are repealed as well.
 - b) If the ballot question is approved, counties, cities, and school boards may independently determine whether they would like to “opt out” of the homestead exemption and not have the exemption apply to their homeowners.
- 2) Beginning January 1, 2025 through March 1, 2025, local governments may “opt out” and not have their homeowners receive the HB 581 floating homestead exemption.
 - a) If the local government decides not to “opt out” no action is required by the local government and the homestead exemption will go into effect.
 - i) The HB 581 homestead exemption does not replace existing locally enacted homestead exemptions.
 - (1) If your local government has an existing flat dollar homestead exemption, the 581 exemption will be in addition to that exemption.
 - (2) If your local government has an existing base year or adjusted base year exemption, the taxpayer will receive the more beneficial exemption.
 - b) If your local government decides to opt out, it must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State by March 1, 2025.
- 3) If the November 2024 ballot question is approved, your county or city may decide whether to levy a FLOST for property tax relief. You must determine if you are eligible for the FLOST.
 - a) If your county/city does not levy a property tax, you are not eligible to levy/participate in the FLOST.
 - b) If you levy a property tax:
 - i) Your county/city must have a base year or adjusted base year homestead exemption in place.

*This may either be the homestead exemption provided by HB 581 or an existing base year or adjusted base year homestead exemption created by a local Act.
 - ii) The county and every municipality in the county that levies a property tax must also have a base year or adjusted base year homestead exemption in place (HB 581 or existing).

- iii) If the county or any city that levies a property tax does not have an eligible homestead exemption in place, the county and all cities within are not eligible for the FLOST.
- c) If the eligibility criteria is met:
 - i) The county and city or cities representing at least 50% of the municipal population of cities levying a property tax must sign an intergovernmental agreement (IGA) for the levy of the tax. This IGA will set the rate (up to 1%), duration (up to 5 years), distribution of proceeds among the county and cities, and the ballot question to be used.
 - ii) The levy of the FLOST must be approved by the voters across the county in a referendum.
- d) The FLOST may then be levied for up to 5 years before needing to be renewed. Prior to the expiration of the tax a renewal requires: A local Act by the Georgia General Assembly approving the renewal for the jurisdiction, a subsequent IGA between the eligible county and cities, and a subsequent referendum for the voters to approve the renewal of the tax.

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