

The House Committee on Education offers the following substitute to HB 504:

A BILL TO BE ENTITLED

AN ACT

1 To amend Code Section 20-2-164 of the Official Code of Georgia Annotated, relating to
2 local five mill share funds, so as to exclude amounts attributable to tangible personal
3 property for which level 1 freeport exemptions were granted from the equalized adjusted
4 school property tax digest for the purpose of calculating local five mill share; to require
5 certain municipalities and counties to annually provide information relating to level 1
6 freeport exemptions to the Department of Revenue; to require the Department of Revenue
7 to annually verify, certify as correct, and furnish the State Board of Education such
8 information relating to level 1 freeport exemptions; to provide for related matters; to repeal
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Code Section 20-2-164 of the Official Code of Georgia Annotated, relating to local five mill
13 share funds, is amended by revising subsections (d), (e), and (g) as follows:

14 "(d) Each municipality having an independent school system and each county government
15 shall annually provide the Department of Revenue with the following information for each
16 local school system within its jurisdiction:

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- 17 (1) The total number of granted state-wide constitutional homestead exemptions for
18 occupied homes pursuant to Code Section 48-5-44 exclusive of those homestead
19 exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and 48-5-52;
- 20 (2) The total number of granted state-wide constitutional homestead exemptions for
21 disabled veterans pursuant to Code Section 48-5-48;
- 22 (3) The amounts of tax and nontax revenues by source which have been distributed by
23 said local government to local school systems for educational maintenance and operation;
24 provided, further, that if the total tax revenues collected by a municipal government
25 exceed the amount of all revenues distributed to its school system, the total amount of tax
26 revenues collected by the municipal government shall also be submitted to the
27 Department of Revenue. Such data shall be submitted to the Department of Revenue no
28 later than the date required for the submission of the local tax digests to the Department
29 of Revenue; ~~and~~
- 30 (4) The difference between the actual assessed valuation of agricultural property and the
31 valuation that would be assessed if all agricultural property were assessed at 40 percent
32 of its fair market value as provided in Code Section 48-5-7; provided, however, that if the
33 taxing authority of a local school system assesses property at a legal standard other than
34 40 percent of fair market value, the actual assessed valuation used in this calculation shall
35 be reduced to represent the amount which would be assessed if the jurisdiction assessed
36 property at 40 percent of fair market value; and
- 37 (5) The value of all tangible personal property for which level 1 freeport exemptions
38 pursuant to Code Sections 48-5-48.1 and 48-5-48.2 were granted for that year.
- 39 (e) The Department of Revenue shall annually verify, certify as correct, and furnish the
40 State Board of Education with the following data for each local school system by
41 November 15:
- 42 (1) All tax and nontax revenues by source for the preceding fiscal year which were
43 distributed for educational maintenance and operation; provided, however, that such tax

44 and nontax revenues shall exclude any state revenue collections which were previously
 45 distributed to the state general fund and then appropriated or allocated to local school
 46 systems; and provided, further, that if the total tax revenues collected by a municipal
 47 government exceed the amount of all revenues which it distributed to its school system,
 48 the total amount of revenues distributed to the school system shall be designated as tax
 49 revenues in the report of the Department of Revenue to the state board;

50 (2) The number of exemptions granted for state-wide constitutional homestead
 51 exemptions for owner occupied homes pursuant to Code Section 48-5-44, exclusive of
 52 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and
 53 48-5-52, for the preceding calendar year;

54 (3) The number of exemptions granted for state-wide constitutional homestead
 55 exemptions for disabled veterans pursuant to Code Section 48-5-48 for the preceding
 56 calendar year; ~~and~~

57 (4) The difference between the actual assessed valuation of agricultural property and the
 58 valuation that would be assessed if all agricultural property were assessed at 40 percent
 59 of its fair market value as provided in Code Section 48-5-7, adjusted pursuant to
 60 paragraph (4) of subsection (d) of this Code section; and

61 (5) The value of all tangible personal property for which level 1 freeport exemptions
 62 pursuant to Code Sections 48-5-48.1 and 48-5-48.2 were granted for that year."

63 "(g) For purposes of calculation under this Code section and Code Section 20-2-165, the
 64 equalized adjusted school property tax digest, adjusted by paragraph (1) of subsection (a)
 65 of this Code section, shall be reduced by the sum of the following products:

66 (1) The product of the number of constitutional homestead exemptions for owner
 67 occupied homes pursuant to Code Section 48-5-44 granted for that year, exclusive of
 68 those homestead exemptions provided pursuant to Code Sections 48-5-47, 48-5-48, and
 69 48-5-52, multiplied by the amount per exemption authorized under Code Section 48-5-44;
 70 provided, further, that in any city operating an independent school system which provides

71 a homestead exemption through local legislation comparable to that provided in Code
72 Section 48-5-44, the product calculated in this paragraph shall represent the number of
73 homestead exemptions provided through the applicable local legislation multiplied by the
74 amount per exemption authorized in Code Section 48-5-44, or by the amount per
75 exemption authorized in the applicable local legislation, whichever is less; and provided,
76 further, that if the amount per exemption authorized in Code Section 48-5-44 has been
77 changed subsequent to the year of the applicable digest, the more recently adopted
78 amount per exemption shall be used for the product calculated in this paragraph;

79 (2) The product of the number of constitutional homestead exemptions for disabled
80 veterans pursuant to Code Section 48-5-48 granted for that year, multiplied by the amount
81 per exemption authorized under that Code section; provided, further, that in any city
82 operating an independent school system which provides a homestead exemption through
83 local legislation comparable to that provided in Code Section 48-5-48, the product
84 calculated in this paragraph shall represent the number of homestead exemptions
85 provided through the applicable local legislation multiplied by the amount per exemption
86 authorized in the applicable local legislation, whichever is less; and provided, further, that
87 if the amount per exemption authorized in Code Section 48-5-48 has been changed
88 subsequent to the year of the applicable digest, the more recently adopted amount per
89 exemption shall be used for the product calculated in this paragraph;

90 (3) The product of the estimated number of persons age 65 or older residing in the local
91 school system during that year multiplied by 5,000;

92 (4) The product which results from the following calculations:

93 (A) Subtract the estimated state-wide percentage that persons age 65 or older is of the
94 total population, excluding military personnel and institutional population, from the
95 respective percentage for the local school system. If the respective percentage for the
96 local school system is less than the state-wide percentage, a difference of zero shall be
97 used in the calculations in this paragraph;

- 98 (B) Multiply the difference which results from subparagraph (A) of this paragraph by
99 1,000; and
- 100 (C) Multiply the product which results from subparagraph (B) of this paragraph by the
101 estimated number of persons age 65 or older residing in the local school system during
102 that year; ~~and~~
- 103 (5) The product which results from the following calculations:
- 104 (A) Divide the amount reported in paragraph (4) of subsection (e) of this Code section
105 by the average ratio of assessed value to true value used to calculate the most recent
106 equalized adjusted school property tax digest pursuant to Code Section 48-5-274; and
- 107 (B) Multiply the quotient which results from subparagraph (A) of this paragraph by .4;
108 and
- 109 (6) The value of all tangible personal property for which level 1 freeport exemptions
110 pursuant to Code Sections 48-5-48.1 and 48-5-48.2 were granted for that year, multiplied
111 by .4."

112 **SECTION 2.**

113 All laws and parts of laws in conflict with this Act are repealed.