CITY COUNCIL PUBLIC HEARING #1
ON GEORGIA HOUSE BILL 581/O.C.G.A 48-5-44.2
HOMESTEAD EXEMPTION PROVISIONS
JANUARY 29, 2025 AT 6:00 PM
COUNCIL CHAMBERS - 1859 CITY CENTER WAY, JONESBORO, GA 30236

MINUTES

I. CALLED TO ORDER

The meeting was called to order at 6:05 p.m. by City Manager Miller-Thornton.

II. ROLL CALL

The roll was called by City Manager Miller-Thornton.

Present:

- Councilmember Alfred Dixon
- Councilmember Don Dixon
- Councilmember Billy Lester
- Councilmember Asjah Miller
- Councilmember Billy Powell
- City Manager, ChaQuias Miller-Thornton
- City Attorney, David Dreyer
- Interim City Clerk, Shandrella Jewett
- Finance Director, Cynthia Hammond

Absent:

- Mayor Donya L. Sartor
- Mayor Pro-Tem Tracey Messick
- Chief of Police, Todd Coyt
- Public Works Director, Marcus Heard
- Downtown Main Street Manager, Andrew Simpson

III. NEW BUSINESS

A. Public Hearing regarding Georgia House Bill 581 / O.C.G.A. 48-5-44.2 Homestead Exemption Provisions. Intent to Opt Out of Homestead Exemption.

City Attorney Dreyer provided a preliminary summary and legislative review regarding HB 581. He referenced the memo (see below language) that the Mayor and Council received from Piper|Sandler and City Manager Miller-Thornton.

PART I: Statewide Floating Homestead Exemption:

House Bill 581 (Statewide Floating Homestead Exemption and new Local Options Sales Tax) was signed into law on April 18, 2024 (Act 379). HB 581 implements a statewide floating homestead exemption for all local governments to include Counties, Cities and School Boards.

Floating homestead is a type of homestead exemption designed to offset or reduce increases in taxable value to homestead properties. The floating exemption works by increasing the value of the exemption to offset inflation.

The effect of HB 581's homestead exemption:

- The taxable value of a home may only increase at a rate of inflation each year.
- Essentially, controlling this will control how much the "value" of a home can increase annually.
- Homeowners who have already been granted a homestead will receive this exemption automatically.
- Non-homesteaded property (i.e. Commercial) will continue to be valued at fair market.

This new exemption is in addition to and does not replace existing non-floating homestead exemptions. Existing local exemptions are added after the floating homestead exemption is calculated.

The City, as a governing authority, can elect to opt out of the floating homestead exemption created by HB 581 by providing a public advertisement of the city's intent to opt out and by conducting three (3) public hearings. The City must then adopt a resolution and file said resolution to the Secretary of State by March 1, 2025. If the City chooses to opt out, there will be no opportunity to opt in at a later date. However, the City via its local delegation (Act of General Assembly) can always implement a local floating homestead at any time. The decision to opt in or out is independently made by each city and the City's decision to opt in or out of the floating homestead exemptions does not affect/impact other local government's exemption.

PART II: FLOST (Local Options Sales Tax):

HB 581 has a second part that creates a new local option sales tax contingent on whether the City opts in to the floating homestead exemption. This sales tax is a countywide tax and is established for the purpose of property tax relief – up to one percent. This option is contingent upon the County and all cities within the County having a floating homestead exemption in effect. If the county and all cities within the county are eligible for FLOST, the county and the cities that make up at-least 50% of the population of the county must enter into an intergovernmental agreement that specifies the tax rate, the duration of the tax, and the distribution of proceeds between the county and the city. Then the tax must be approved through a local referendum in order for the tax to be levied. Funds from the FLOST must be used for property tax relief and cannot be used for any other purpose.

Policy Considerations:

The decision to opt in or out of the floating homestead exemption is a policy decision to be made by the City's governing authority with positive and negative impacts to be considered.

Edmund Wall (the City's financial advisor) offered detailed information regarding the Bill and the potential impact on the City's digest (estimated tax revenue).

Current Homestead Exemptions in the City:

The City currently provided the following homestead exemptions:

$10,000 for any homestead eligible property.

Should the City Opt Out?

Jonesboro's 2023 gross tax digest was $193.5 million. Residential property was 2,324 parcels totaling $67.5 million or 35%. (That is very low concentration.) The value of all homestead property is hard to determine. "I believe the City's homestead property is $30.75 million from the Tax Digest." If in 2025, the tax assessor raised the values by 8%, the homestead property would be worth $33.21 million. If inflation is 3%, the new Floating Homestead Exemption would only allow the City to tax at $31.673 million ($30.75 million x 3%). So the homestead exemption would increase by the difference between $33.21million and the amount tied to inflation of $31.673 million or $1.537 million. That increases exemption times the City's millage rate of 8.5 mills would total $8,454.00.

Public Hearings (Required):

The second Public Hearing is scheduled for Monday, February 3, 2025 at 6:00 p.m. in conjunction with the Work Session of Mayor and Council. The third Public Hearing must be held on Monday, February 10, 2025 at 6:00 p.m. in conjunction with the Regular Council Meeting of Mayor and Council. Additional informational summary, as provided by the Georgia Municipal Association, can be found at: Overview of House Bill 581: Key Changes to Local Government Revenue | Georgia Municipal Association

IV. PUBLIC COMMENTS (PLEASE LIMIT COMMENTS TO THREE (3) MINUTES)

- Daniel Mueller (Jonesboro Resident) – Asked if a vote would be taken by Mayor and Council regarding HB 581.
- Arlene Charles (Jonesboro Resident) – Thanked everyone for a great presentation.
- Clemon Jones (Jonesboro Resident) – Spoke regarding the pros and cons of HB 581 and said he trust Mayor and Council to make the best decision on behalf of the City.
- Penny Fauscett (Jonesboro Resident) – Spoke regarding city and tax bills that have increased, and does not like the fact that once you get in that you can't get out. Also, spoke regarding inflation and hope that the City can come up with something comfortable.

V. ADJOURNMENT

A motion was made to adjourn the meeting at 7:06 p.m.

RESULT:	**Approved (Vote was unanimous)**
MOVER:	**Councilmember D. Dixon**
SECONDER:	**Councilmember Powell**

The meeting recording which provides discussion on the language and requirements of HB 581, can be found here: https://www.facebook.com/share/v/1DPUBNzVKM/?mibextid=wwXIfr

Dr. Donya L. Sartor, Mayor

Shandrella Jewett, Interim City Clerk