

PUTNAM COUNTY BOARD OF COMMISSIONERS



117 Putnam Drive, Suite A ♦ Eatonton, GA 31024

Agenda

Tuesday, January 21, 2025 ♦ 6:00 PM

Putnam County Administration Building – Room 203

Opening

1. Welcome - Call to Order
2. Approval of Agenda
3. Invocation
4. Pledge of Allegiance (staff)

Zoning Public Hearing

5. Request by Henry E. Bowden, agent for Henry D. Bowden to rezone .37 acres at 100 Angeline Circle from R-2 to R-1 [Map 111A, Parcel 100, District 4] (staff-P&D)

Regular Business Meeting

6. Public Comments
7. Consent Agenda
 - a. Approval of Minutes - January 3, 2025 Regular Meeting (staff-CC)
8. Authorization for Chairman to sign Acknowledgment of Memorandum of Understanding between the Putnam Development Authority and Harmony Road GA, LLC (BS)
9. Authorization for the Chairman to sign Resolution Authorizing Participation in the ACCG - Interlocal Risk Management Agency Supplemental Medical, Accident, and Disability Fund: First Responder PTSD Program (staff-HR)
10. Authorization for Chairman to sign GDOT LMIG Grant Application for FY2025 (staff-CM)
11. Discussion and possible action on House Bill 581 (SH)

Reports/Announcements

12. County Manager Report
13. County Attorney Report
14. Commissioner Announcements

Closing

15. Adjournment

The Board of Commissioners reserves the right to continue the meeting to another time and place in the event the number of people in attendance at the meeting, including the Board of Commissioners, staff, and members of the public exceeds the legal limits. The meeting cannot be closed to the public except by a majority vote of a quorum present for the meeting. The board can vote to go into an executive session on a legally exempt matter during a public meeting even if not advertised or listed on the agenda. Individuals with disabilities who require certain accommodations in order to allow them to observe and/or participate in this meeting, or who have questions regarding the accessibility of the meeting or the facilities are required to contact the ADA Compliance Officer, at least three business days in advance of the meeting at 706-485-2776 to allow the County to make reasonable accommodations for those persons.

File Attachments for Item:

5. Request by Henry E. Bowden, agent for Henry D. Bowden to rezone .37 acres at 100 Angeline Circle from R-2 to R-1 [Map 111A, Parcel 100, District 4] (staff-P&D)

5509 Namakagan Rd
Bethesda, MD 20816
January 15, 2025

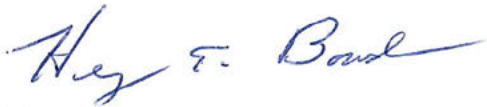
Putnam County Board of Commissioners
117 Putnam Drive, Suite A
Eatonton, GA 31024

Re: Rezoning of 100 Angeline Circle, Lot 1
Eatonton, GA

Gentlemen:

The Zoning Commission approved our application on January 2, 2025. I live in Maryland and wish to postpone the January 21, 2025 hearing to February 18, 2025.

Sincerely,



Henry E. Bowden, Agent





PUTNAM COUNTY PLANNING & DEVELOPMENT

117 Putnam Drive, Suite B ♦ Eatonton, GA 31024

Tel: 706-485-2776 ♦ 706-485-0552 fax ♦ www.putnamcountyga.us

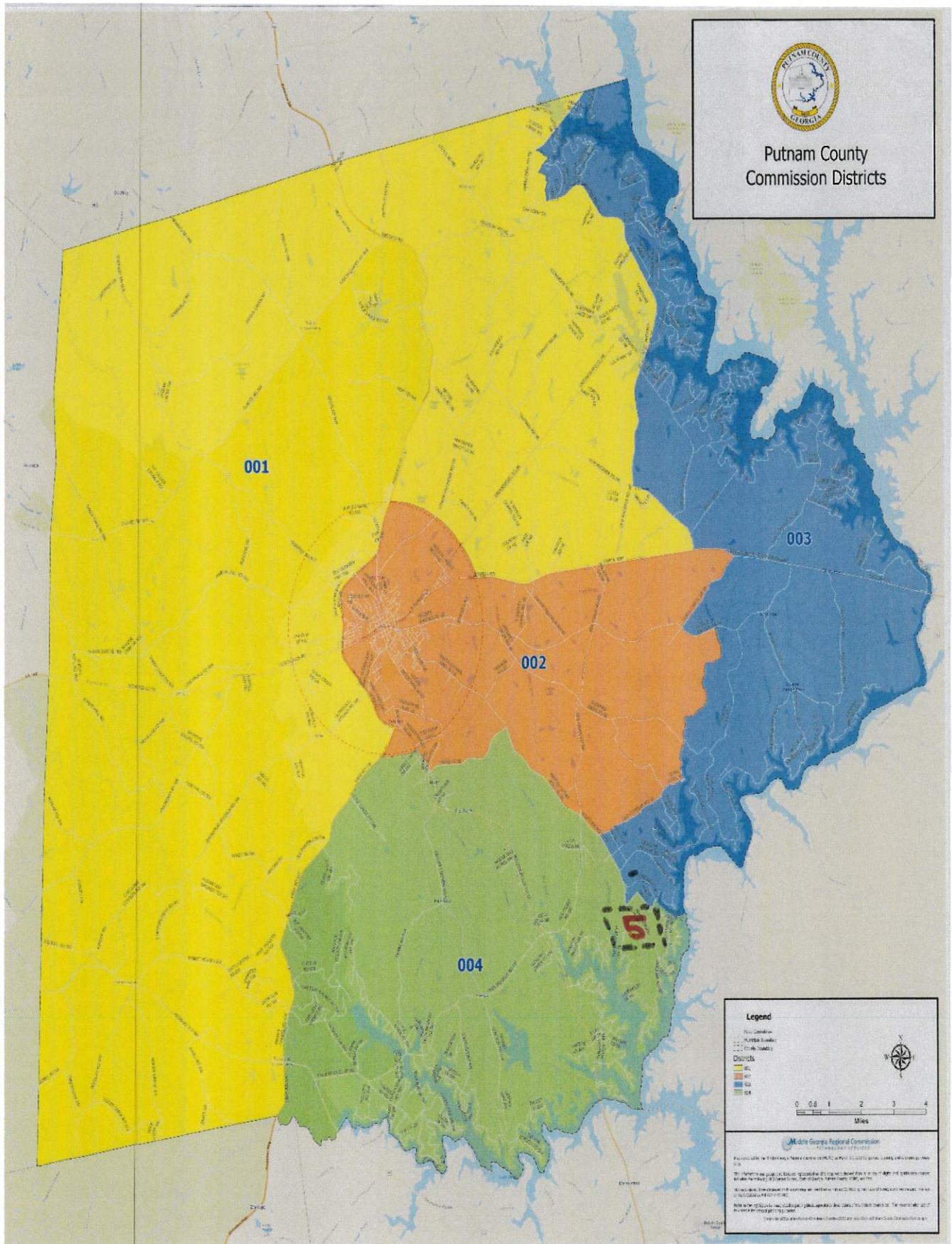
Request

5. Request by **Henry Bowden** to rezone .37 acres at 100 Angeline Circle from R-2 to R-1. [**Map 111A, Parcel 100, District 4**].* Mr. Bowden is requesting to rezone .37 acres from R-2 to R-1. If approved, the intended land use for this property is to combine it with the adjacent R-1 tract, identified as **Map 111A, Parcel 050**, creating a 1.37-acre tract. The proposed 1.37-acre tract will be utilized for residential use and offer Mr. Bowen an opportunity to place a new modular home on the property.

As stated in the letter of intent, the applicant would like to rezone .37 acres to R-1. If approved, the proposed .37 acres will be combined with **Map 111A Parcel 050**. In order to combine the parcels, both tracks must have the same zoning classification. Therefore, the request is to rezone the .37 acres to R-1 to reflect the adjoining parcel. The proposed use is consistent with allowed uses in R-1 zoning district as stated in [Sec. 66-81. - Uses allowed.](#) of the Putnam County Code of Ordinances. The surrounding land uses include R-2 zoned parcels to the North, West, and East. There were multiple R-1 zoned parcels south adjacent to the subject parcel. This rezoning to R-1 should not adversely impact the use of public facilities or services. Additionally, the Future Land Use Concept Plans projects the future use of this parcel as residential use. Confirming that the proposed use is consistent with the stated purpose of nearby and adjacent parcels as well as the purpose of R-1 zoning district. This rezoning should not affect the existing use value or useability of parcels in this area. If approved, staff recommend the following conditions: **1.** The proposed .37 acres must be combined with the adjacent parcel, identified as **Map 111A Parcel 050**, and cannot be used or sold as a standalone parcel. **2.** This rezoning approval shall be conditioned upon the resurveying and recordation in the Superior Court of Putnam County of an accurate plat within 60 days of approval by the board of commissioners. A copy of the recorded plat shall be filed with the planning and development department director. Failure to file a plat pursuant to this subsection shall have the effect of invalidating the rezoning action as stated in Section 66-165(e)(3) of the Putnam County Code of Ordinances.

The staff recommendation is for approval to rezone .37 acres from R-2 to R-1 at 100 Angeline Circle. [Map 111A, Parcel 100, District 4]. * with the following conditions:

1. **The proposed .37 acres must be combined with the adjacent parcel, identified as Map 111A Parcel 050, and cannot be used or sold as a standalone parcel.**
2. **This rezoning approval shall be conditioned upon the resurveying and recordation in the Superior Court of Putnam County of an accurate plat within 60 days of approval by the board of commissioners. A copy of the recorded plat shall be filed with the planning and development department director. Failure to file a plat pursuant to this subsection shall have the effect of invalidating the rezoning action as stated in Section 66-165(e)(3) of the Putnam County Code of Ordinances.**



5. Request by **Henry E. Bowden**, agent for **Henry D. Bowden** to rezone .37 acres at 100 Angeline Circle. Presently zoned R-2 [Map 111A, Parcel 100 District 4].*



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REZONING

APPLICATION NO. 2024-REZONE-8

DATE: 10/30/24

MAP 111A PARCEL 100 ZONING DISTRICT R-2

1. Owner Name: Henry D. Bowden

* 2. Applicant Name (If different from above): Henry E Bowden

3. Mailing Address: 100 Angelina Circle Eatonton GA 31024

4. Email Address: [REDACTED]

5. Phone: (home) — (office) — (cell) [REDACTED]

6. The location of the subject property, including street number, if any: 100 Angelina Circle Eatonton

7. The area of land proposed to be rezoned (stated in square feet if less than one acre): 16,073 S.F.

8. The proposed zoning district desired: R-1

9. The purpose of this rezoning is (Attach Letter of Intent) Remove double wide and construct modular home

10. Present use of property: SF Residential Desired use of property: SF Residential

11. Existing zoning district classification of the property and adjacent properties:
Existing: R-2
North: Water South: R-1 East: R-1 West: R-2

12. Copy of warranty deed for proof of ownership and if not owned by applicant, please attach a signed and notarized letter of agency from each property owner for all property sought to be rezoned.

13. Legal description and recorded plat of the property to be rezoned. All that tract of land being in 313th EMD GRHS No. 188 recorded Plat Book 10 containing page 40 3670000

14. The Comprehensive Plan Future Land Use Map category in which the property is located. (If more than one category applies, the areas in each category are to be illustrated on the concept plan. See concept plan insert.):

15. A detailed description of existing land uses: 3BR - 2 Bath SF residential

16. Source of domestic water supply: well —, community water , or private provider —.
If source is not an existing system, please provide a letter from provider.



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17. Provision for sanitary sewage disposal: septic system , or sewer . If sewer, please provide name of company providing same, or, if new development, provide a letter from sewer provider.

18. Complete attachment of Disclosure of Campaign Contributions Form by the applicant and/or the applicant's attorney as required by the Georgia Conflict of Interest in Zoning Act (O.C.G.A. 36-67A).

19. The application designation, date of application and action taken on all prior applications filed for rezoning for all or part of the subject property. (Please attach on separate sheet.)
NONE

20. Proof that property taxes for the parcel(s) in question have been paid.

21. Concept plan.

- If the application is for less than 25 single-family residential lots, a concept plan need not be submitted. (See attachment.)
- A concept plan may be required for commercial development at director's discretion

22. Impact analysis.

- If the application is for less than 25 single-family residential lots, an impact analysis need not be submitted. (See attachment.)
- An Impact analysis (including a traffic study) is required when rezoning from residential zoned or used property to commercial or industrial districts.

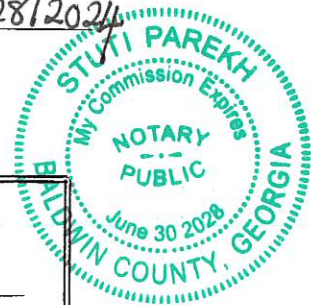
THE ABOVE STATEMENTS AND ACCOMPANYING MATERIALS ARE COMPLETE AND ACCURATE. APPLICANT HEREBY GRANTS PERMISSION FOR PLANNING AND DEVELOPMENT PERSONNEL OR ANY LEGAL REPRESENTATIVE OF PUTNAM COUNTY TO ENTER UPON AND INSPECT THE PROPERTY FOR ALL PURPOSES ALLOWED AND REQUIRED BY THE PUTNAM COUNTY CODE OF ORDINANCES.

Signature (Property Owner) 11/5/2024
(Date)

Signature (Applicant) 10-28-24
(Date)

Notary Public

Signature (Notary) 10/28/2024
Notary Public



Office Use	
Paid: \$ _____ (cash) _____ (check) _____ (credit card) _____	
Receipt No. _____	Date Paid: _____
Date Application Received: <u>10/30/24</u>	
Reviewed for completeness by: <u>Angela Waldroup</u>	
Date of BOC hearing: <u>11/21/25</u>	Date submitted to newspaper: <u>12/9/24</u>
Date sign posted on property: _____	Picture attached: yes _____ no _____

DISCLOSURE OF APPLICANT'S CAMPAIGN CONTRIBUTION



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LETTER OF AGENCY- _____

WE, THE UNDERSIGNED OWNERS OF REAL PROPERTY LOCATED IN THE CITY OF EATONTON/PUTNAM COUNTY, GEORGIA, HEREBY APPOINT Henry E Bowden TO BE MY/OUR AGENT FOR THE PURPOSE OF APPLYING FOR rezoning OF PROPERTY DESCRIBED AS MAP 111A PARCEL 100, CONSISTING OF .37 ACRES, WHICH HAS THE FOLLOWING ADDRESS: 100 Angeline circle EATONTON, GEORGIA 31024. ATTACHED HERETO IS A COPY OF A DEED AND OR PLAT OF SURVEY DESCRIBING THE PROPERTY OWNED BY THE PROPERTY OWNER(S) TO WHICH THIS LETTER OF AGENCY APPLIES.

THE ABOVE-NAMED AGENT HEREBY IS AUTHORIZED TO COMPLETE AND SIGN THE CITY OF EATONTON/PUTNAM COUNTY APPLICATION FOR rezoning ON OUR BEHALF. WE UNDERSTAND THAT THIS LETTER OF AGENCY WILL BE ATTACHED TO AND MADE PART OF SAID FORM AND WILL BE RELIED UPON BY THE CITY OF EATONTON/PUTNAM COUNTY. FOR AND IN CONSIDERATION OF THE CITY OF EATONTON/PUTNAM COUNTY ACCEPTING THIS LETTER OF AGENCY, WE HEREBY INDEMNIFY AND HOLD HARMLESS THE CITY OF EATONTON/PUTNAM COUNTY AND ITS AGENTS AND/OR EMPLOYEES IN THE EVENT THAT THE ABOVE NAMED AGENT SHOULD MISUSE THIS LETTER OF AGENCY AND WE SUFFER DAMAGES AS A RESULT.

THIS oct DAY OF 30, 2024.

PROPERTY OWNER(S): Henry D Bowden
NAME (Neatly PRINTED)

[Signature]
SIGNATURE

ADDRESS: 100 Angeline circle

PHONE: 202-491-6224

ALL SIGNATURES WERE HEREBY SWORN TO AND SUBSCRIBED BEFORE ME THIS 30 DAY OF October, 2024

NOTARY Angela Michelle Waldroup

MY COMMISSION EXPIRES: 11/24/24



Letter Of Intent

The property consist of two Lots one is zoned R-1 the other R- 2. The septic system is on one lot and the modular home will be built on the other. The Health department requires both be on one lot to utilize the existing septic which is less than two years old . This requires one record lot. So we need to combine the two lots and record as a single lot.

The existing double wide is 3 bedrooms and two bath rooms and the modular is the same. The Health department has approved this subject to receiving the record plat. Health department approval is required before the issuance of a building permit.

Henry Bowden

eFiled & eRecorded
DATE: 3/21/2023
TIME: 4:05 PM
DEED BOOK: 01111
PAGE: 00677 - 00679
RECORDING FEES: \$25.00
TRANSFER TAX: \$0.00
PARTICIPANT ID: 5290192152
CLERK: Trevor J. Addison
Putnam County, GA
PT61: 117-2023-000453

When Recorded Return To:



241 E. Hancock Street
Milledgeville, Georgia 31061

File: 23-295

[Above Space Provided For Recording]

STATE OF GEORGIA
COUNTY OF PUTNAM

QUITCLAIM DEED

THIS INDENTURE made this 19th of March, 2023 between The Estate of James C. Fennell, as party or parties of the first part, hereinafter called Grantor, and Henry David Bowden, as party or parties of the second part, hereinafter called Grantee (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH that Grantor, for and in consideration of the sum of TEN AND 00/100 (\$10.00) Dollars and other good and valuable considerations in hand paid at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold, aliened, conveyed and confirmed, and by these presents does grant, bargain, sell, alien, convey and confirm unto the said Grantee,

Map/Parcel No. 111A 100: All that tract or parcel of land lying and being in the 313th GMD, Putnam County, Georgia, containing 0.369 acres, more or less, more particularly described by that certain plat of survey prepared by Allan Chesley Brittain, GRLS No. 168, recorded in Plat Book 10, Page 40, Putnam County Land Records. Said plat of survey and record thereof are by reference made a part hereof for a more accurate description of said property.

Also conveyed herewith is all of Grantor's interest, if any, in that right of ingress and egress over the road referenced in Deed Book 5-P, Page 728, said records.

This is the same property conveyed by Warranty Deed from Larry G. Manley to James C. Fennell, dated June 29, 1982, recorded in Deed Book 5-P, Page 728, said records.

SUBJECT TO:

- 1) Restrictive Covenants set forth in that deed recorded in Deed Book 5-P, Pages 728, as amended of record, said records.
- 2) Shared Driveway Easement recorded in Deed Book 1090, Pages 515-516, said records.
- 3) Any restrictions, reservations, covenants, rights of way, or matters as shown on the aforementioned plat.
- 4) All other easements, rights-of-way, surveys, protective covenants, limitations and restrictions affecting said property of record, said records.

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said Grantees forever in **FEE SIMPLE**.

Signatures Appear on Following Pages

No Opinion as to Title Given by Preparer of Deed

Signed, sealed and delivered in the presence of:

[Signature]
~~Unofficial Witness~~

~~Notary Public~~
(Seal and Stamp Affixed)

[Signature]
Suzann W. Smith, as Co-Executor
of the Last Will and Testament of
James C. Fennell

Gary D. Stillman
Notary Public
Houston County, GA
My Commission Exp:
June 25, 2023

DATE: 3/21/2023
TIME: 4:05 PM
DEED BOOK: 01111
PAGE: 00679

IN WITNESS WHEREOF, Grantor has hereunto set grantor's hand and seal this day and year first above written

Signed, sealed and delivered in the presence of:

B. Bennett
Unofficial Witness
Kathleen Thompson
Notary Public
(Seal and Stamp Affixed)

Jamie F. Lewandowski
Jamie F. Lewandowski, as Co-Executor
of the Last Will and Testament of
James C. Fennell

KATHLEEN THOMPSON
NOTARY PUBLIC
PEACH COUNTY, GEORGIA
MY COMMISSION EXPIRES
11/18/2024

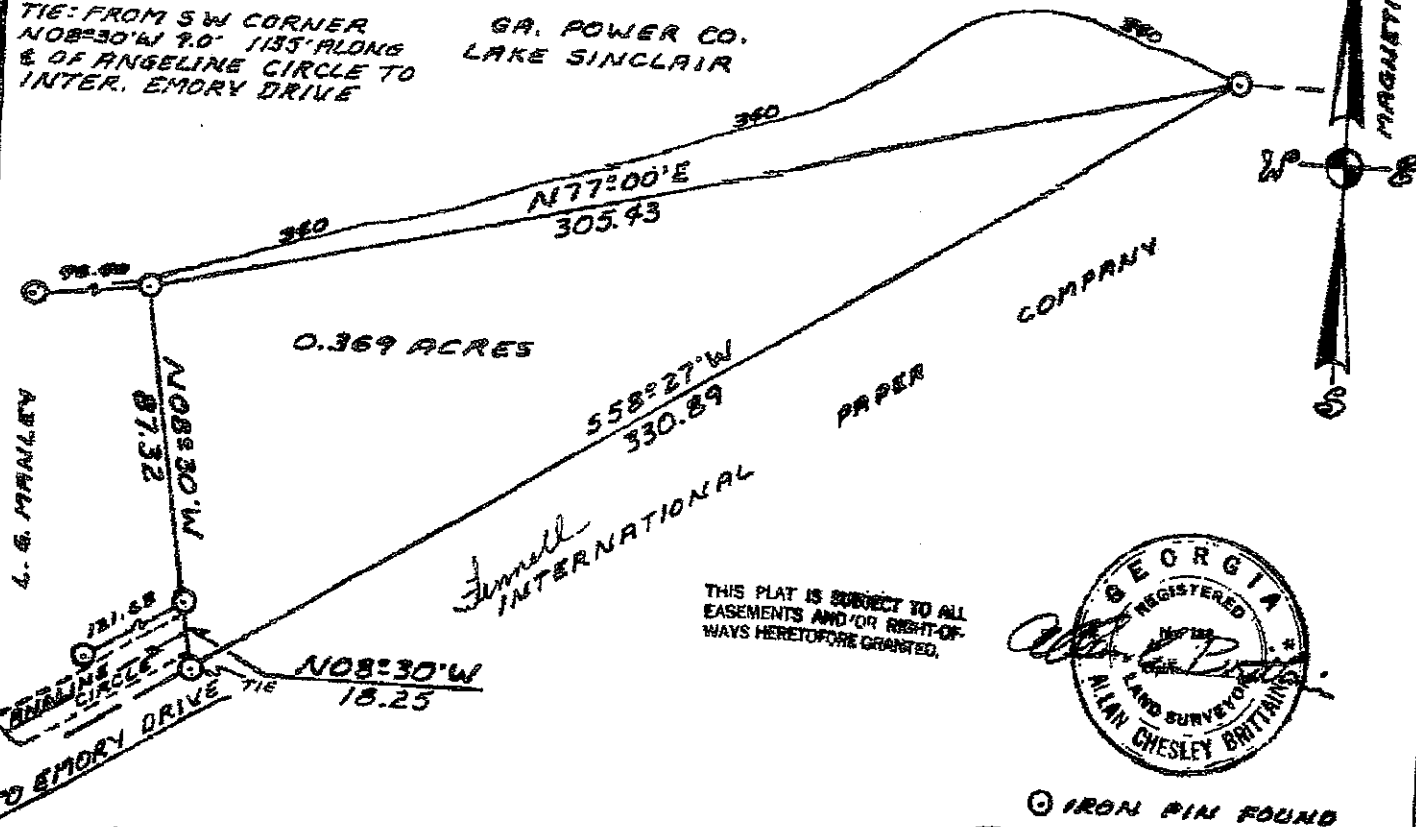
NOTE: CONST. LIMIT 15 RIW

I CERTIFY THAT IN MY OPINION THIS PLAT IS A CORRECT REPRESENTATION OF THE LAND PLATTED AND HAS BEEN PREPARED IN CONFORMITY WITH THE MINIMUM STANDARDS AND REQUIREMENTS OF THE GEORGIA PLAT LAW

NOTE: 340 CONTOUR IS R

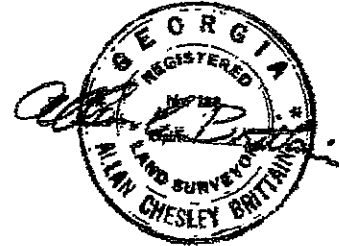
TIE: FROM SW CORNER NO8°30'W 9.0' 1155' ALONG E OF ANGELINE CIRCLE TO INTER. EMORY DRIVE

GA. POWER CO. LAKE SINCLAIR



TREVOR J. ADDISON
CLERK OF SUPERIOR COURT
100 S. JEFFERSON AVE., STE 236
EATONTON, GEORGIA 31024
03/17/2022

THIS PLAT IS SUBJECT TO ALL EASEMENTS AND/OR RIGHT-OF-WAYS HERETOFORE GRANTED.

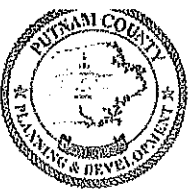


⊙ IRON PIN FOUND

NOTE: A ONE INCH TRANSIT AND A 100 FT. STEEL TAPE WAS USED ON THIS SURVEY

THIS MAP HAS BEEN PREPARED WITH BEARINGS CIRCULATED FROM TURNED ANGLES AND WITH DISTANCES MADE BY HORIZONTAL MEASUREMENT AND CIRCULATED FOR CLOSURE BY LATITUDE AND DEPARTURES AND IS FOUND TO BE ACCURATE WITHIN ONE FOOT IN 5000 FEET

PLAT OF PROPERTY OF
J.C. & BARBARA FENNELLS
LOCATED IN
PUTNAM CO. GA.
GMD 313
SCALE: 1"=40' DATE: 5-20-82



PUTNAM COUNTY PLANNING & DEVELOPMENT

117 Putnam Drive, Suite B ♦ Eatonton, GA 31024

Tel: 706-485-2776 ♦ 706-485-0552 fax ♦ www.putnamcountyga.us

The *Putnam County Code of Ordinances*, Section 66-167(c) states as follows:

“When any applicant or his attorney for a rezoning action has made, within two years immediately preceding the filing of that applicant’s application for the rezoning action, campaign contributions aggregating \$250.00 or more to a local government official who will consider the application, it shall be the duty of the applicant to file a disclosure report with the governing authority of the respective local government showing:

a. The name and official position of the local government official to whom the campaign contribution was made; and

b. The dollar amount and description of each campaign contribution made by the applicant to the local government official during the two years immediately preceding the filing of the application for the rezoning action and the date of each such contribution. The disclosures required by this section shall be filed within ten days after an application for the rezoning action is first filed.”

1. Name: Henry D. Bowden

2. Address: 100 Angelina Circle Eatonton GA 31024

3. Have you given contributions that aggregated \$250.00 or more within two years immediately preceding the filing of the attached application to a candidate that will hear the proposed application? Yes No If yes, who did you make the contributions to? _____

* Signature of Applicant: Henry D Bowden 
Date: 11 / 5 / 20 24

Terrell E. Abernathy
Putnam County Tax Commissioner
100 S. Jefferson Ave, Suite 207
Eatonton, GA 31024-1062
(706) 485-5441

www.putnamgatax.com

IMPORTANT NOTICES

Certain persons are eligible for homestead exemptions from ad valorem taxation. In addition to the regular homestead exemption authorized for all homeowners, certain elderly persons are entitled to additional exemptions. The full law relating to each exemption must be referred to in order to determine eligibility for the exemption. If you are eligible for one of these exemptions, and are not now receiving the benefit of the exemption, you must apply for the exemption not later than April 1, 2025 in order to receive the exemption in future years in compliance with GA Code 48-5-56. For more information on eligibility for exemptions or on the proper method of applying for an exemption, you may contact:

Putnam County Tax Assessor
100 South Jefferson Ave Suite 109
Eatonton, GA 31024-1061
(706) 485-5376

If you feel that your property has been assigned too high a value for tax purposes by the Board of Tax Assessors, you should file a tax return reducing the value not later than April 1, 2025 in order to have an opportunity to have this value lowered for next years' taxes. Information on filing a return can be obtained at the location and phone number above.

42 RETURN SERVICE REQUESTED
*****MIXED AADC 296 | 00010487
BOWDEN HENRY D
5509 NAMAKAGAN RD
BETHESDA, MD 20816-1926

2024 Ad Valorem Tax Notice

Bill No.	Property Description	Map Number	Fair Mkt Value	Assessed Value	Exempt Value	Taxable Value	Millage Rate	Tax Amount	
002178	01 LT 1 MANLEYS CV 100 ANGELINE CIR	111A 100	198796	79518		79518	17.225	1369.70	
002179	01 LT B-36 LAKE FT PL FOREST HILL DR	111A 050	8500	3400		3400	17.225	58.56	
Important Messages - Please Read							Total of Bills by Tax Type		
Pay online at: www.putnamgatax.com If paying after the due date, please call our office or check online for the full amount due.							COUNTY		505.88
							SCHOOL		889.21
				SPEC SERV		33.17			
Local Option Sales Tax Information							TOTAL DUE		
Mills required to produce county budget		7.747				1428.26			
Mill reduction due to sales tax roll back		1.646				DATE DUE			
Actual mill rate set by county officials		6.101				12/01/2024			
Tax savings due to sales tax rollback		136.48							

DATE DUE	TOTAL DUE
12/01/2024	1428.26



DRUSILLA D DEMMY
5509 NAMAKAGAN RD
BETHESDA, MD 20816-1926

For Heavy D. BONDEN

7584

15-120/540 DC
831

10/18/24 Date

Pay To The Order Of Putnam County Tax Commissioner \$ 1,428.26

Forteen hundred twenty eight dollars and 26/100

BANK OF AMERICA

ACH R/T 084001204

2024 - 002178

For 2024 - 002149



Photo of cardholder

[Signature]

I4
TERRELL E. ABERNATHY
PUTNAM COUNTY TAX COMM
100 S JEFFERSON AVE # 207
EATONTON GA 31024

CLK DATE PAID SEQ NO
DLP 2024 10 22 101141
CHECK #: 1 7584
PAID BY: DRUSILLA DEMMY

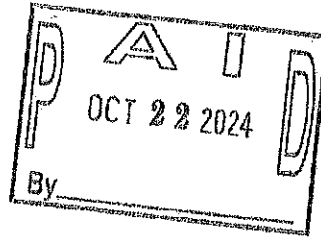
BILLING NAME & ADDRESS:
BOWDEN HENRY D

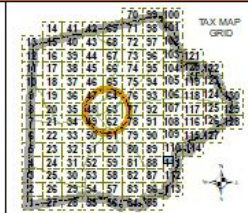
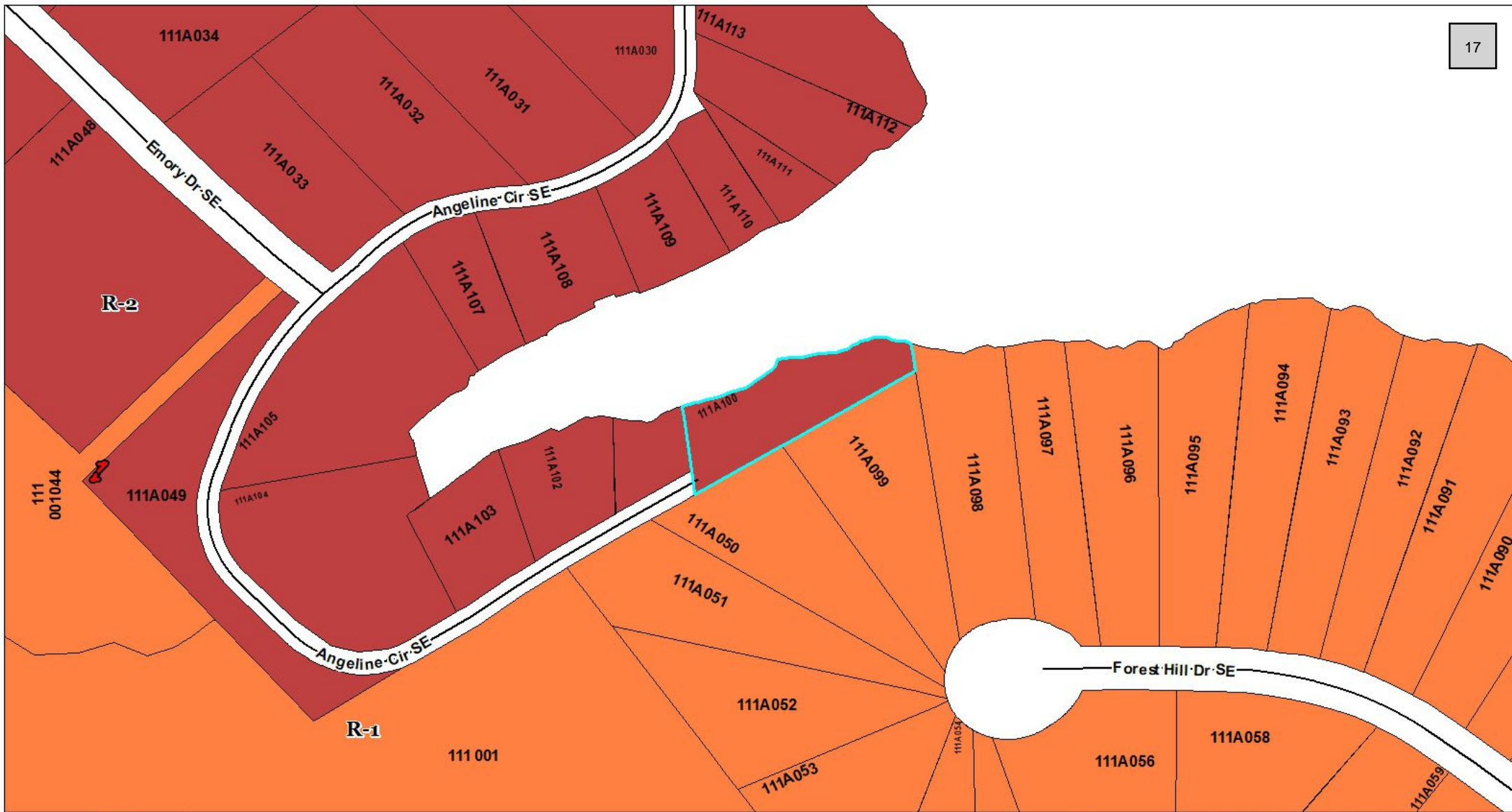
BILL# - 2024 002178
MAP # - 111A 100
LOCTN - LT 1 MANLEYS CV

5509 NAMAKAGAN ROAD
BETHESDA MD 20816

TAX AMOUNT DUE 1,369.70
PENALTY DUE .00
INTEREST DUE .00
COSTS DUE .00

TOTAL DUE 1,369.70
AMOUNT PAID 1,369.70
CURRENT BALANCE .00





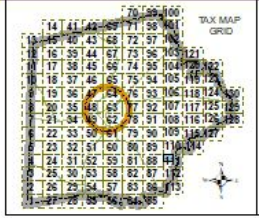
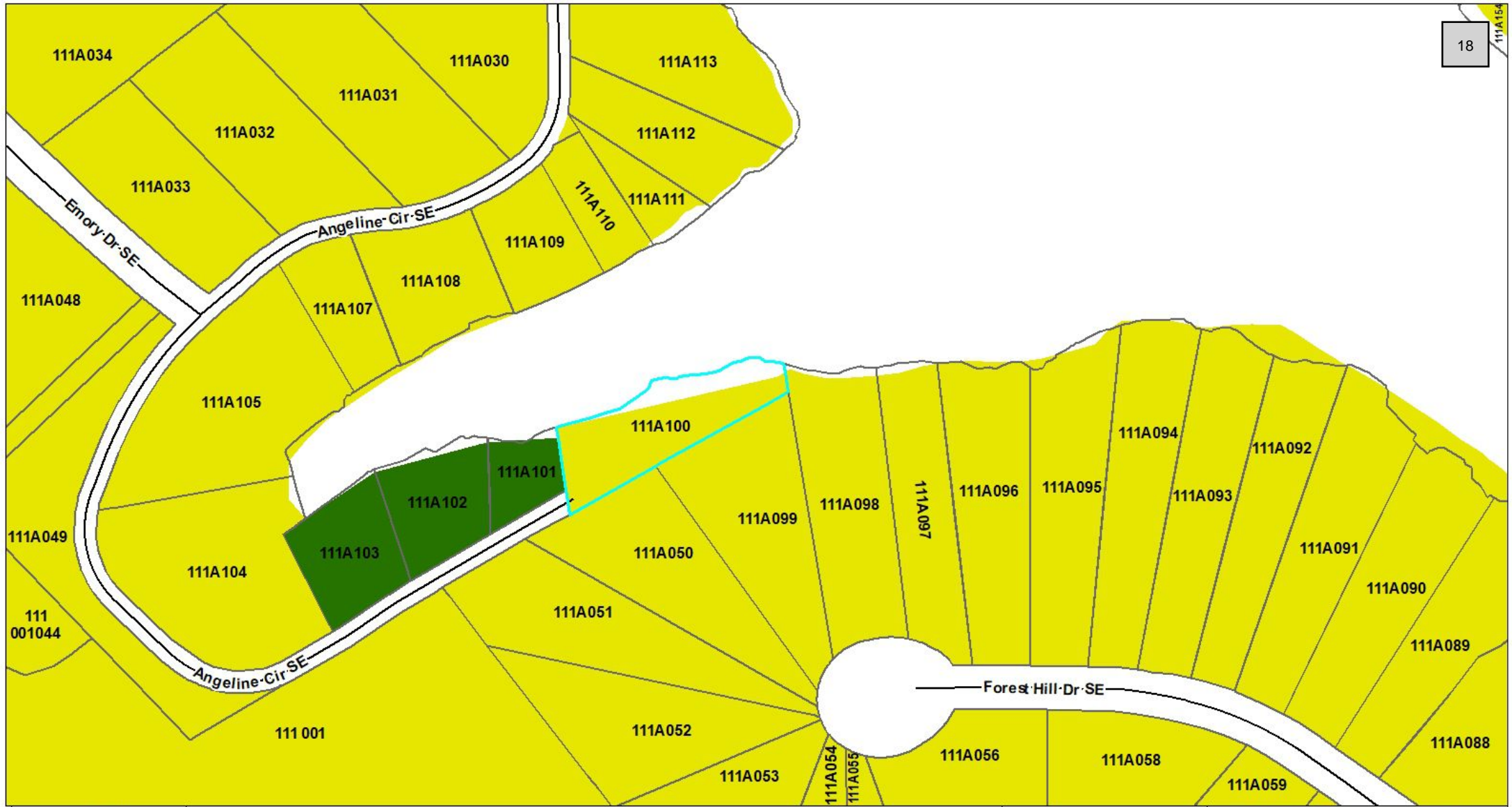
GEOGRAPHIC FEATURE LEGEND					
Eatonton Limits	Overlay District	A-2 CITY	C-2 CITY	I-2 CITY	R-1 CITY
County Boundary	No Code	C-1	I-M	MHP	R-1
Roads	AG	C-1 CITY	I-1 CITY	PUBLIC	R-2 CITY
Parcels	A-1 CITY	C-2	I-M	PUBLIC CITY	R-3 CITY
Parcel Hooks					R-4 CITY
					RM-1
					RM-3
					R-PUD
					C-PUD

LMGRC
 Middle Georgia Regional Commission
 175 Emory Hwy
 Suite C
 Macon, Georgia 31217
 (478) 751-6160
 Web:
www.middlegeorgia.org

PUTNAM COUNTY, GEORGIA
 ZONING MAPS

MAP 111A

MAP SCALE: 1" = 125' SCALE RATIO: 1:1,500 DATE: OCTOBER 2024



GEOGRAPHIC FEATURE LEGEND			
Eatonton Limits	Agriculture/Forestry	Mixed Use	Residential
County Boundary	Commercial	Park/Recreation/Conservation	Transportation/Communication/Utilities
Roads	Industrial	Public/Institutional	Undeveloped/Vacant
Parcels			
Parcel Hooks			

MGRC
 Middle Georgia Regional Commission
 175 Emery Hwy
 Suite C
 Macon, Georgia 31217
 (478) 751-6160
 Web:
www.middlegeorgiaarc.org

PUTNAM COUNTY, GEORGIA
 FUTURE LAND USE MAPS

MAP 111A

MAP SCALE: 1" = 125' SCALE RATIO: 1:1,500 DATE: OCTOBER 2024

File Attachments for Item:

- 7. Consent Agenda
 - a. Approval of Minutes - January 3, 2025 Regular Meeting (staff-CC)

PUTNAM COUNTY BOARD OF COMMISSIONERS



117 Putnam Drive, Suite A ♦ Eatonton, GA 31024

Minutes

Friday, January 3, 2025 ♦ 10:00 AM

Putnam County Administration Building – Room 203

The Putnam County Board of Commissioners met on Friday, January 3, 2025 at approximately 10:00 AM in the Putnam County Administration Building, 117 Putnam Drive, Room 203, Eatonton, Georgia.

PRESENT

- Chairman Bill Sharp
- Commissioner Tom McElhenney
- Commissioner Richard Garrett
- Commissioner Steve Hersey

ABSENT

- Commissioner Jeff Wooten

STAFF PRESENT

- County Attorney Adam Nelson
- County Manager Paul Van Haute
- County Clerk Lynn Butterworth
- Deputy County Clerk Mercy Fluker

Opening

1. Welcome - Call to Order

Chairman Sharp called the meeting to order at approximately 10:00 a.m.
 (Copy of agenda made a part of the minutes on minute book page _____.)

2. Approval of Agenda

Motion to approve the agenda with the removal of Item #7 – “Appeal by Ann Foster of the Planning & Zoning Commission decision to grant sideline setback at 407 E. Riverbend Drive.”

Motion made by Commissioner Hersey, Seconded by Commissioner McElhenney.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

Chairman Sharp welcomed Commissioner Garrett to his first meeting and reported that Commissioner Wooten couldn't be here today.

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3. Invocation - Chairman Bill Sharp
Planning and Development Director Lisa Jackson gave the invocation.

4. Pledge of Allegiance (staff)
County Manager Van Haute led the Pledge of Allegiance.

Regular Business Meeting

5. Public Comments

Mr. Bill Vargo commented on misinformation on websites.

Ms. Jennifer Ray commented on the December 17, 2024 meeting and the Chamber of Commerce Contract.

Mr. Billy Webster commented on the distribution percentages in the new contract with the Chamber of Commerce.

6. Consent Agenda

a. Approval of Minutes - December 17, 2024 Regular Meeting

Motion to approve the Consent Agenda.

Motion made by Commissioner Hersey, Seconded by Commissioner McElhenney.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

7. Appeal by Ann Foster of the Planning & Zoning Commission decision to grant sideline setback at 407 E. Riverbend Drive (staff-P&D)

This item was removed from the agenda and will be heard at the February 7, 2025 BOC meeting.

8. Request from LA Development LLC for Revised Final Plat Subdivision Approval for Overlook at Pea Ridge (staff-P&D)

Mr. Lowell White III spoke in support. This is a 14-lot subdivision, and the current residents want entrance gates. No one signed in to speak against this item.

Planning and Development staff recommendation was for approval.

Motion to approve the Request from LA Development LLC for Revised Final Plat Subdivision Approval for Overlook at Pea Ridge to add gates.

Motion made by Commissioner Garrett, Seconded by Commissioner Hersey.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey
(Copy of plat made a part of the minutes on minute book pages _____ to _____.)

9. Report from Putnam Development Authority

Economic Development Director Matt Poyner gave an overview of the activities of the Putnam Development Authority.

- Presented marketing videos for Cosmo Cabinets and Manley Metalworks, and explained they will be doing more videos this year since they are amazing marketing tools
- Industry update - three planned expansions
- Project update - 10 acre tract selling to ER Snell - trying to wrap up by mid January; additional 10 acres of land to sell; expect increase at Tech Park due to Rivian
- Holy Cow was named one of seven small businesses to be featured by the Georgia Department of Economic Development during the Holidays
- Marble Works was named Family-Owned Small Business of the Year by the University of Georgia Small Business Development Center

10. Authorization for Chairman to sign Resolutions for the Tax Commissioner's office (staff-Tax Comm)

- a. Resolution for Authority for the Tax Commissioner to Receive Funds
- b. Resolution for Establishing Tax Due Date
- c. Resolution for the Waiver of Penalties and Interest on Unpaid Ad Valorem Taxes

Tax Commissioner Terrell Abernathy reviewed each resolution and explained that these resolutions are renewed and refreshed at the beginning of every term.

Motion to authorize Chairman to sign Resolutions for the Tax Commissioner's office:

- a. Resolution for Authority for the Tax Commissioner to Receive Funds**
- b. Resolution for Establishing Tax Due Date**
- c. Resolution for the Waiver of Penalties and Interest on Unpaid Ad Valorem Taxes**

Motion made by Commissioner McElhenney, Seconded by Commissioner Hersey.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey
(Copy of resolutions made a part of the minutes on minute book pages _____ to _____.)

11. Authorization for Chairman to sign ACCG Defined Benefit Plan Resolution (staff-CM)
County Manager Van Haute explained that the resolution allows Putnam to use accumulated contributions to partially or fully offset a required contribution in any year.

Motion to authorize Chairman to sign ACCG Defined Benefit Plan Resolution.

Motion made by Commissioner Garrett, Seconded by Commissioner Hersey.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey
(Copy of resolution made a part of the minutes on minute book pages _____ to _____.)

12. Discussion and possible action regarding the creation of a Recreation Authority (staff-CM)
County Manager Van Haute explained creating a Recreation Authority could help with competing for grants for the county’s recreation facilities, including Jimmy Davis Park, the swimming pool, Oconee Springs Park, and Uncle Remus Golf Course. He also suggested a 501c3 option that might be better than setting up an authority.

County Attorney Nelson explained the following options: 1. Recreation Authority through Local Legislation; 2. Under state law create authority at county level, County Ordinance Section 2-51 allows establishment of committees (advisory only); 3. Ordinance change - displayed Henry County's ordinance establishing recreation commission as an example.

Chairman Sharp proposed that the staff create a proposal(s) and have a work session to discuss further.

Motion to have County Manager and County Attorney offer examples of alternative proposals for a Recreation Advisory and/or Authority/Board and to have a Work Session on such proposals on February 5, 2025 at 10:00 a.m.

Motion made by Commissioner Hersey, Seconded by Commissioner McElhenney.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

13. Approval of Certification of Road Abandonment for a portion of Napier Mill Road (staff-CC)

Motion to Approve Certification of Road Abandonment for a portion of Napier Mill Road.

Motion made by Commissioner Hersey, Seconded by Commissioner Garrett.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

(Copy of certification made a part of the minutes on minute book pages _____ to _____.)

14. Appointment to the Eatonton-Putnam County Library Board (staff-CC)

Motion to appoint Mr. Rex Bishop to the Eatonton-Putnam County Library Board.

Motion made by Commissioner Hersey, Seconded by Commissioner McElhenney.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

15. Discussion and possible action regarding Facebook Live Streaming of BOC Meetings (staff-CM)

Mr. Bill Vargo commented on continuing the BOC meeting live-streaming.

Ms. Jennifer Ray commented on the wording of the agenda item, the Facebook views on today's meeting, and taxpayer representation.

County Manager Van Haute explained that there has been a significant increase in comments made on the Putnam County Facebook Page that have outstripped its usefulness. Over the past couple of years the platform has become something else including being used to solicit members for other Facebook groups and other inappropriate uses. Streaming of Commission meetings is not required by law. County Manager Van Haute proposed to eliminate Facebook live-streaming of BOC meetings.

County Attorney Nelson informed that Putnam County is allowed to turn off comments on social media but cannot pick and choose which ones to turn off; there are no legal requirements to live-stream meetings.

Motion to continue Facebook live-streaming of BOC Meetings when possible and turn off comments.

Motion made by Commissioner Hersey, Seconded by Commissioner Garrett.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

Reports/Announcements

16. County Manager Report

No report.

17. County Attorney Report

No report but congratulated Commissioner Garrett on his first meeting as Commissioner.

18. Commissioner Announcements

Commissioner McElhenney: none

Commissioner Garrett: commented on the Jimmy Davis Park Partnership Advisory Council and some possible changes such as instituting public comments, publishing full and timely minutes, and continuing the council beyond the sunset date; also thanked County Clerk Butterworth and Chairman Sharp for welcoming him and getting him up to speed.

Commissioner Hersey: wished a Happy New Year to all and sympathized with Bulldogs fans in their recent loss.

Chairman Sharp: announced Commissioner McElhenney was sworn in December 23, 2024 for the term beginning January 1, 2025, and wished everyone a Happy New Year and thanked everyone for being here.

Closing

19. Adjournment

Motion to adjourn the meeting.

Motion made by Commissioner McElhenney, Seconded by Commissioner Hersey.

Voting Yea: Commissioner McElhenney, Commissioner Garrett, Commissioner Hersey

Meeting adjourned at approximately 11:51 a.m.

ATTEST:

Lynn Butterworth
County Clerk

B. W. "Bill" Sharp
Chairman

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File Attachments for Item:

8. Authorization for Chairman to sign Acknowledgment of Memorandum of Understanding between the Putnam Development Authority and Harmony Road GA, LLC (BS)

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “**Agreement**”) is entered into as of the Effective Date set forth below by and between the **PUTNAM DEVELOPMENT AUTHORITY** (the “**Authority**”), a development authority and public body corporate and politic duly created by local amendment to the Georgia Constitution, 1968 Ga. L. p. 1860, continued by 1985 Ga. L. p. 3955 (collectively, the “**Act**”), and **HARMONY ROAD GA, LLC**, a Georgia limited liability company (the “**Company**”), each a “**Party**” and collectively the “**Parties.**” **PUTNAM COUNTY** (the “**County**”), a county and political subdivision of the State of Georgia (the “**State**”), the **PUTNAM COUNTY SCHOOL DISTRICT** (the “**District**”), the **BOARD OF TAX ASSESSORS OF PUTNAM COUNTY** (the “**Board of Assessors**”) and the **TAX COMMISSIONER OF PUTNAM COUNTY** (the “**Tax Commissioner**”) are each executing an Acknowledgement hereof attached to this Agreement in order to acknowledge their respective agreements to the provisions hereof which are applicable to them, but are not considered to be Parties.

1. THE PROJECT.

1.1. Description of the Project. The “**Project**” shall be a mixed-use market-rate residential rental community, which is currently estimated to consist of approximately 275 units, including 27 units reserved (i) first for applicants with a member of the household that is employed or has accepted an offer of employment from a department or office with the County and its departments (including constitutional officers like Sheriff, Clerk of Court, etc.) and the Board of Education, then (ii) (x) to first responders, such as firefighters, paramedics, emergency medical technicians, nurses, and other emergency medical personnel without a medical doctorate, and (y) to hospitality and retail workers. The Project shall consist of (i) multiple buildings in a variety of styles, building fixtures, building equipment, and other related improvements (the “**Improvements**”), to be constructed and installed by the Company on the below-defined Site; and (ii) the Site described in Section 1.4 below on which the Improvements are to be constructed. The Project is more particularly described on Schedule 1.1 attached hereto and incorporated herein by reference.

1.2. Total Project Costs. “**Total Project Costs**” include all reasonable costs, fees and expenses incurred by the Company in connection with the Project and the issuance of the Bond (defined below). The Company will be responsible for any costs of or related to the Project (including, without limitation, those related to any change orders or cost overruns) to the extent that proceeds of the Bond are not available or are not sufficient to pay such costs.

1.3. Closing. As used herein, the “**Closing**” is the event at which the Bond is issued. References herein to a “**Closing Condition**” are to the optional right of a Party hereto, based on a Closing Condition, to exercise a right provided herein in its favor and to avoid the Closing and terminate this Agreement as provided in Sections 5.4 and 5.5, respectively, below. In connection with the issuance of the Bond, the signatories hereto will also enter into an Economic Development Agreement (the “**EDA**”) to reflect any amendments hereto agreed to prior to the Closing (or to reflect that there are no such amendments).

1.4. The Site. The Company has acquired or will acquire prior to the Closing all or a portion of the site more particularly described on Schedule 1.4 attached hereto and incorporated herein by reference (the “**Site**”).

1.5. Release of Parcels of the Site. The Authority agrees to convey any portion of the Project at the request of the Company, with or without consideration (other than the consideration for this Project recited in the EDA); provided, however, (1) except for any such conveyance in connection with any Superior Security Documents, any proceeds from any such sale, assignment, transfer or conveyance shall be used to prepay or redeem the principal of the Bond or an equivalent principal amount of the Bond shall be cancelled, (2) the remaining portion of the Project shall remain qualified as a “project” under the Act and shall continue to qualify as the Project for which the Bond was judicially validated, (3) the conveyed portion shall be released from the Bond Lease and the other Bond Documents (as defined in the Bond Lease), (4) such conveyance must be made in compliance with all applicable laws, Superior Security Documents, and other agreements and encumbrances affecting such portion, and (5) the Project may not be conveyed as an entirety unless (a) the Bond Lease has been or contemporaneously with such conveyance will be, terminated and the Bond paid in full or cancelled; or (b) such conveyance is otherwise permitted pursuant to the terms and conditions of the Bond Lease. The conveyance or release of any portion of the Project pursuant to this Section 1.5 shall not reduce or otherwise affect the Community Investment Goal (as defined below) and the capital investments made in such portion of the Project so released shall count toward the Company’s satisfaction of the Community Investment Goal. In connection therewith, the Company shall provide the Authority with:

A written request for the transaction, certifying that the indemnities contained in the Bond Lease apply to such transaction, as well as certifying such other matters as the Authority may reasonably request, and agreeing to pay all reasonable costs incurred by the Authority in connection therewith, such as reasonable legal fees and disbursements,

1.5.1. A consent of the Bondholder (as defined in the Bond Lease),

1.5.2. Consents from all Lenders,

1.5.3. In matters involving real estate, real estate descriptions and such other supporting documentation as the Authority may reasonably request, and

1.5.4. the PILOT Payment provided in Schedule 3.2 shall be reduced beginning Year 3 based on equivalent principal reduction in the Bond as provided above.

1.6. Environmental Phase I and Phase II. At or prior to the Closing, the Company shall provide to the Authority, at the Company’s expense, an environmental site assessment report (the “**Phase I Report**”) that summarizes the results of an environmental site assessment (the “**Phase I Assessment**”) of the Site. The Phase I Assessment shall have been conducted by an environmental engineering or consulting firm reasonably acceptable to the Authority and shall be dated less than 180 days prior to the Closing. In addition, the Phase I Report and the Phase I Assessment shall comply with ASTM International Designation E1527-21, “Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process,” as the

same may be amended, modified or supplemented from time to time. The Phase I Report (within the body of the Phase I Report) shall expressly authorize reliance on its contents, including its conclusions and any recommendations for further assessment, by the Company and the Authority. If the Phase I Report contains a recommendation for further assessment, the Company shall, at its own expense, commission such further assessment (the “**Phase II Assessment**”). Any Phase II Assessment shall be performed by an environmental engineering or consulting firm reasonably acceptable to the Authority, be conducted and provided to the Authority less than 180 days prior to the Closing, and comply with ASTM International Designation E1903-19, “Standard Practice for Environmental Site Assessments: Phase II Environmental Site Assessment Process,” as the same may be amended, modified or supplemented from time to time (the “**ASTM Phase II Standard**”). Any report prepared to summarize the results of such Phase II Assessment shall be prepared in accordance with the ASTM Phase II Standard, be dated less than 180 days prior to the Closing, and expressly authorize (within the body of such report) the Company and the Authority to equally rely on its contents, including its conclusions. The Authority’s and the Company’s satisfaction with the Phase I Assessment (which shall be deemed satisfied if the Phase I Assessment does not contain a recommendation for further assessment) and any Phase II Assessment conducted pursuant to this Section 1.6, together with the Authority’s and the Company’s satisfaction with the environmental condition of the Site, shall be Closing Conditions in favor of the Authority and the Company.

1.7. Development of the Project.

1.7.1. Utilities. The Company shall be responsible for the delivery of water, sewer, natural gas, telecommunications and electricity to the Site that are adequate for the Project. The Company’s ability to acquire governmental approvals or permits to allow for delivery of adequate water, sewer facilities, natural gas telecommunications and electricity by acceptable providers, and to obtain such utilities in quantities and at pressures which are adequate for the Project and acceptable to the Company in its sole discretion, shall each be a Closing Condition in favor of the Company. All tap fees for utilities shall be the responsibility of the Company. The Parties hereto acknowledge that all water components must meet the County specifications.

1.7.2. Design. The Company shall be responsible for the design of the Improvements. The Project will contain certain distinctive features (“**Distinctive Features**”) (i) to develop and provide the type of high-quality market-rate rental residential and mixed-use development that is needed within the County, (ii) that will promote other commercial activity within the County, and (iii) that will complement the operation of other businesses located within the County. The Distinctive Features are described on Schedule 1.6.2 attached hereto and incorporated herein by reference.

1.7.3. Construction, Generally. The Company will be responsible for the construction of the Improvements. Without limitation, the Company may be the contractor, acting as principal for its own account and not as agent of the Authority, or will select the contractor (“**Contractor**”) for such construction and enter into an agreement, as principal and not as agent of the Authority, with the Contractor (if the Company is not the Contractor) or any subcontractor for such construction. The Improvements shall be constructed and installed in compliance with all applicable laws, including, without

limitation, applicable zoning laws, building codes, environmental laws and other restrictions.

1.7.4. Permitted Encumbrances. Without limitation, the Company shall keep the Project free and clear of all liens and encumbrances attributable to the Company, except for Permitted Encumbrances (defined below), and shall in any event indemnify, hold harmless and defend the Authority and its members, officers, employees and representatives from and against any claim, liability or loss arising out of or related to any such lien or encumbrance, including, without limitation, Permitted Encumbrances, provided that if a court of competent jurisdiction determines that any of the provisions of this Section violate O.C.G.A. § 13-8-2, the indemnity contained in this Section shall not extend to any matter for which indemnification is prohibited by O.C.G.A. § 13-8-2. Said indemnity shall survive the Closing and the expiration or earlier termination of this Agreement or the Bond Lease. As used herein, “**Permitted Encumbrances**” shall be defined as any Permitted Exceptions, the Definitive Documents (defined below), and any mortgages, liens, encumbrances or exceptions otherwise specified in this Agreement as being acceptable, or permitted by the Bond Lease. As used herein, “Permitted Exceptions” means, as of any particular time, (i) liens for ad valorem taxes and special assessments not then delinquent or permitted to exist as provided in the Bond Lease, (ii) utility, access or other easements and rights of way, restrictions, reservations, reversions and exceptions in the nature of easements that will not materially interfere with or impair the operations or activities being conducted at the Project, (iii) unfiled and inchoate mechanics’ and materialmen’s liens for construction work in progress, (iv) architects’, contractors’, subcontractors’, mechanics’, materialmen’s, suppliers’, laborers’ and vendors’ liens or other similar liens not then payable or permitted to exist as provided in the Bond Lease, (v) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title that do not, in the aggregate, materially impair the property affected thereby for the purpose for which it was acquired or is held by the Authority, (vi) exceptions described in any owner’s policy of title insurance that may be procured by the Authority at the request and with the consent of the Company or any leasehold policy of title insurance procured by the Company, and (vii) a Superior Security Document or a Leasehold Mortgage (as both are defined in Section 2.10 below).

1.8. Indemnity by the Company. The Company shall indemnify, hold harmless and defend the Authority and its officials, members, officers, employees and representatives from and against any and all loss, liabilities and claims (including, without limitation, liens and encumbrances resulting from construction and installation activities) that may arise out of or relate to: (a) any act or omission by or attributable to the Company or its vendors, contractors or subcontractors, agents, employees or representatives, related to the Project; or (b) this transaction, including the Bond or the issuance thereof, or the ownership or operation of the Project, provided that if a court of competent jurisdiction determines that any of the provisions of this Section violate O.C.G.A. § 13-8-2, the indemnity contained in this Section shall not extend to any matter for which indemnification which is prohibited by O.C.G.A. § 13-8-2. The indemnities set forth above specifically extend to, but are in no way limited to, governmental or other claims relating to any actual or alleged violation of any federal, state or local environmental laws, rules, or regulations, whether or not any such violation relates to any period prior to the acquisition of the Project by the Authority or its acquisition theretofore by the Company, provided, that such indemnification shall not extend to any claim, liability or loss

resulting from any act of gross negligence or intentional misconduct on the part of or attributable to the particular indemnitee. Said indemnity shall survive the Closing and the expiration or earlier termination of this Agreement and the Bond Lease and the commencement or abandonment of the Project.

1.9. Force Majeure; Year 1; Construction Period.

1.9.1. The term “**Force Majeure**” as used in this Agreement shall mean the following: a general banking moratorium shall have been declared by federal or Georgia authorities, or a major financial crisis or a material disruption in commercial banking shall have occurred (but Force Majeure does not include a mere inability to obtain financing); acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or of the State of Georgia or any of their departments, agencies, political subdivisions or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; tornadoes; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; extraordinary regulatory delays or any other event not within the control of the Party claiming Force Majeure. The Party claiming Force Majeure agrees, however, to use its reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing the Party from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Party, and the Party shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is, in the judgment of the Party, unfavorable to the Party. For the avoidance of doubt, to the extent that the Governor of the State of Georgia at any time or from time to time hereafter issues an Executive Order declaring there to be in effect a (1) State of Emergency relating to unlawful assemblage and violence, or (2) Public Health State of Emergency relating to pandemics, and the same leads to the impossibility to perform any obligation under this Agreement that is expressly stated to be subject to Force Majeure, then riots and pandemic may be asserted as Force Majeure events.

1.9.2. It shall be conditions to a Party claiming the benefit of Force Majeure that, (a) the Party promptly certifies to the other Party in writing, (1) what the event of Force Majeure is, (2) the date of the commencement and, when the event of Force Majeure has abated, the date of the abatement, of such event of Force Majeure, (3) for what obligation the benefit of Force Majeure is claimed, and (b) Force Majeure shall be the proximate cause of the non-performance of such obligation. For the avoidance of doubt, either the Authority or the Company may claim Force Majeure on the terms and conditions hereof. The foregoing notwithstanding, however, (1) a Party may not claim the benefit of Force Majeure more than twice in the aggregate, (2) in no event shall Force Majeure excuse or postpone a payment obligation, and (3) in no event shall a Party claim Force Majeure in order to protect such Party against the normal risks of contracting.

1.9.3. The effect of Force Majeure for purposes of this Agreement shall be as specified in connection with designating an obligation herein as being subject to Force

Majeure. For the avoidance of doubt, the benefit of Force Majeure may not be claimed with respect to an obligation unless this Agreement expressly designates that such obligation as being subject to Force Majeure.

1.9.4. As used herein, “**Year 1**” for the Project is the first calendar year after the Project has obtained certificates of occupancy for 100 or more units, but such Year 1 shall not be later than as required by Section 1.9.6, below.

1.9.5. For the avoidance of doubt, for the “**construction period**” for the Project, there shall be no property taxes or payments in lieu of taxes for the Project until the construction period for the Project has ended. The construction period for the Project shall be limited to calendar years, if any, that are both after the Closing and before any part of the Project is placed in service, but ending no later than the year before the Year 1 for the Project. “**Years**”, as used herein, refers to years following Year 1, in sequence as appropriate.

1.9.6. The Company agrees that it shall, (a) start physical work of a significant nature towards constructing the Project by December 31, 2027, and (b) make continuous progress towards completion once construction has begun, and, (c) begin Year 1 no later than 2029. The attainment of each such event, respectively, by such respective outside dates, is each hereby designated as being subject to Force Majeure. If Force Majeure is claimed as provided herein, then each such outside date shall be extended by the period of the event of Force Majeure, but, regardless of the cumulative effect of Force Majeure, Year 1 shall occur no later than the end of 2030.

2. FINANCING OF THE PROJECT.

2.1. Bond. In order to establish the bond-financed sale-leaseback structure that is necessary for the provision of certain of the incentives contemplated herein, including, without limitation, ad valorem property tax savings for the Project, the Authority will issue its revenue bond (the “**Bond**”) to the Company and pursuant thereto acquire the Project as it then exists. The Bond will be authorized by a resolution adopted by the Authority, as and if supplemented (the “**Bond Resolution**”). The Authority will hold legal title to all of the Project. The Bond Lease and related nominal purchase option will evidence the Company’s beneficial ownership of the Project. The Company may acquire legal title to the Project upon expiration or termination of the Bond Lease as provided herein.

2.2 Maximum Principal Amount of Bond. Without limitation, the maximum principal amount of the Bond shall in the aggregate accommodate Total Project Costs for the Project. Such accommodation shall be made through structuring the Bond as a single draw-down bond in an appropriate maximum principal amount, now estimated at \$100 million.

2.3. Transaction Costs. The Company shall be responsible for all transactional costs of the issuance of the Bond. Such transactional costs include, without limitation: (i) the reasonable legal fees and disbursements of Bond Counsel related to the preparation and distribution of this Agreement and the issuance of the Bond and preparation of transcripts; (ii) the reasonable fees and disbursements of the Authority’s Issuer’s Counsel, including the validation of the Bond and

the closing of the issuance of the Bond; (iii) the reasonable legal fees and disbursements of the Company’s own counsel relating to the transaction; (iv) the court costs relating to validation of the Bond and recording and filing fees; (v) the Authority’s administrative fee for the issuance of the Bond equal to one-eighth (1/8) of one percent (1%) of the Maximum Principal Amount of the Bond, which shall be payable in full to the Authority at Closing; and (vi) the Authority’s annual fees payable beginning Year 1 and as provided in Schedule 2.3 attached hereto and incorporated by reference. In addition, the Company shall pay for the costs of issuance of the Bond and other transaction costs, promptly upon being invoiced therefor, including following the occurrence of any of the following events: (x) execution of this Agreement (which shall only include the payment of Seyfarth Shaw LLP’s fees incurred to date as of the execution of this Agreement), (y) validation of the Bond, and (z) the Closing.

2.4. Tax Status of the Bond. The interest on the Bond issued to the Company will not be exempt from federal income taxation.

2.5. Roles of Counsel. The law firm of Seyfarth Shaw LLP, Atlanta, Georgia, Bond Counsel to the Authority, shall serve as Bond Counsel and as the Authority’s Issuer’s Counsel in connection with the Project, the issuance of the Bond and this Agreement. The law firm of Arnall Golden Gregory LLP shall serve as the Company’s Counsel in connection with the Project, the issuance of the Bond and this Agreement.

2.6. Repayment of the Bond. The Company shall be responsible for the repayment of the Bond. Without limitation, the Bond shall not be a general obligation of the Authority, but shall be a special and limited obligation payable solely from the payments received under the Bond Lease and other pledged security. Neither the Authority, the County, the City of Eatonton (the “City”), the State of Georgia (the “State”) nor any other public body shall have any obligation or liability for repayment of the Bond.

2.7. The Bond Lease. The Authority and the Company shall enter into a lease agreement in connection with the Bond (the “**Bond Lease**”) at the Closing. Pursuant to the Bond Lease, the Authority will lease the Project to the Company. The Bond Lease shall contain terms and provisions substantially of the type normally included in bond leases between governmental “conduit” bond issuers and users of bond-financed property. The Bond Lease shall provide for the Company to pay “**Basic Rent**,”*i.e.*, rent equal to debt service on the Bond, which shall be applied to such payment. If permitted by the “**Bond Purchase Loan Agreement**” to be entered into by the Parties, the Bond Lease shall grant to the Company the option, at any time, to prepay Basic Rent in the amount needed to retire the Bond. The Bond Lease will be a triple net type lease. Pursuant to the Bond Lease, without limitation, the Company will be responsible, during the Term, for all of the Project’s costs of operation and maintenance, insurance (as provided in Section 1.2 hereof), and (subject to Section 2.4 hereof) taxes. The Bond Lease shall provide customary and reasonable requirements for indemnification of the Authority, its directors, members, officers, employees and representatives, against any claims, liabilities or losses relating to the Bond or the Project, or the Company’s operations thereof, or environmental claims relating to the Project (to the extent that any environmental claim is based on facts or circumstances first existing after the effective date of the Bond Lease), such requirement for indemnification to be consistent with the provisions of Section 1.8 hereto. Said indemnity shall survive the Closing and the expiration or earlier termination of this Agreement and the Bond

Lease. The Bond Lease will contain provisions reasonably satisfactory to the Company and the Authority limiting the transfer by the Authority of items of property comprising the Project. The Bond Lease shall have a term (“**Term**”) sufficient to accommodate the Savings Schedule (defined below) and to accommodate the possibility of a Force Majeure extension of the outside date for Year 1, provided, that the Term shall be structured to be comprised of intervals, each of less than five (5) years, and each of which shall automatically renew for the next interval unless notice of non-renewal is given by the Company. The Bond Lease will contain provisions which recite the property tax or *ad valorem* exempt nature of the Authority’s interest in the Project so as to specify that there shall be no such taxes or payments in lieu of taxes, except as specified herein and in the Definitive Documents for the Project.

2.8. Purchase Option. The Authority, by a separate instrument (the “**Option Agreement**”), which is one of the Definitive Documents, shall grant the option to purchase the Project or from time to time any portion thereof (the “**Purchase Option**”), to the Company, as contemplated in Section 2.1, above, to the extent that the Authority holds title thereto at the time, exercisable for (i) an option exercise price of \$10; (ii) plus any other amounts due to the Authority that must be paid at such time by the Company, including, without limitation, any Community Recovery Payments (defined below) then past due, if any; and (iii) if the Bond has not theretofore been retired, the Company shall cause the Bond to be retired or cancelled. The Company may not exercise its Purchase Option under this Section if at the time of the attempted exercise of such Purchase Option, the Company is materially in default under the Bond Lease, unless it simultaneously cures such material default.

2.9. Definitive Documents. The term, “**Definitive Documents**,” means and includes the Bond, the Bond Lease, the Option Agreement, the EDA, the Bond Purchase Loan Agreement, and any other related documents necessary to implement the transactions described herein. The Definitive Documents shall be prepared by Bond Counsel and shall be subject to the approval of the Authority, the Company, and the legal counsel thereof. The Parties agree to negotiate in good faith to establish the terms and conditions to be included in the Definitive Documents. It shall be a Closing Condition in favor of each of the Company and the Authority that they reach an agreement on such terms and conditions that are applicable to each of them.

2.10. Other Forms of Financing. The Authority, at the written request of the Company with the written consent of the Holder (as defined below) of the Bond, shall execute and deliver to a Lender (as defined below), or shall join the Company in the execution and delivery to a Lender, of a Superior Security Document (as defined below) in favor of such Lender with respect to the Project which encumbers the Authority’s fee interest and execute any related documents in connection with the Company’s financing or refinancing of the Project. At the Company’s written request, and with the prior written consent of the Holder, the Authority shall, by a subordination agreement, subordinate its fee simple interest and estate in the Project (not including its “Unassigned Rights” as defined in the Bond Lease) to a Leasehold Mortgage (as defined below) or otherwise to the holder of a Superior Security Document, and shall execute and deliver such further instruments, subordinations, joinders, amendments, or other agreements reasonably requested by the Company in order to effect such subordination and to evidence the first lien priority of a Superior Security Document. Without in any way limiting the foregoing, a Lender shall have the right at its option, whether before or after completion of the Project, to foreclose upon the leasehold estate under the Bond Lease pursuant to the terms of a Superior

Security Document or Leasehold Mortgage, and, if the Lender, the Lender’s designee or another third party (“**Lease Acquiring Party**”) acquires title to any leasehold estate pursuant to a foreclosure sale or a conveyance in lieu of foreclosure of the Superior Security Document or Leasehold Mortgage, said Lease Acquiring Party, its successor and assigns, shall be recognized and considered as the lessee or tenant under the Bond Lease and the Company under this Agreement and the Definitive Documents and shall have all of the obligations, responsibilities, rights and benefits of the within-named Company thereunder. Upon any transfer or assignment of the Bond Lease by the Lease Acquiring Party and the express assumption thereby of all prospective obligations, responsibilities, warranties and covenants of the Company under the Bond Lease, the Lease Acquiring Party shall be released and discharged from all liability thereafter accruing under the Bond Lease, the other Definitive Documents and this Agreement. “Holder” means the Person in whose name the Bond is registered on the registration books of the Authority and initially means the Company. “Person” means a natural person, business organization, public body, or other legal entity. “Lender” means any financial institution which has advanced credit to the Company with respect to the Project. “Superior Security Document” means any deed to secure debt or similar instrument or instruments in which the Company or the Authority (at the request of the Company), or both, pledges the Project or its interest in the Bond Lease to a Lender; the Authority may be a grantor or debtor thereunder, but the Authority’s obligations thereunder shall be non-recourse, except that recourse may be had against the Authority’s interest in the collateral pledged under such instrument. “Leasehold Mortgage” means any leasehold mortgage or leasehold deed to secure debt pursuant to which the Company pledges its interest in the Bond Lease to a Lender. As a condition precedent to Lender’s and Lease Acquiring Party’s rights contained herein, Lender shall be required to give the Authority the same advanced notice of default required under any applicable loan documents, the same statutory notice required by law for foreclosure, and the same rights to cure, as Company.

2.11. Transfers.

2.11.1. The rights and benefits of the Company under this Agreement may not be transferred and assigned by the Company, in whole or in part, prior to Closing, except to an Affiliate (defined below) of the Company.

2.11.2. Except as expressly provided in this Section or elsewhere in this Agreement or in the Bond Lease or other Definitive Documents, after the Closing the Company may not, without the prior written consent of the Authority, which may not be unreasonably withheld, conditioned or delayed, (a) transfer its interest in the Project, or (b) assign its interests and rights under the Bond Lease or other Definitive Documents. The foregoing shall not be construed to impose any restriction on the transfer of equity interests in the Company.

2.11.3. The Company, as the tenant under the Bond Lease, may sublease (or lease, to the extent that a leasing continues beyond the Term) the Project as a whole or in part, provided, that (a) any such transaction outside of the ordinary course of the Company’s business shall be subject to prior approval by the Authority, as the landlord under the Bond Lease, which may not unreasonably be withheld, conditioned or delayed, and (b) in the case of all transactions, the sublease is expressly subject and subordinate to the Bond Lease, and that the Company is not released from its obligations under the Bond Lease.

2.11.4. The Company may assign the Bond Lease and the other Definitive Documents without the consent of the Authority, but upon prior or contemporaneous notice to the Authority, in the event that, (a) (i) the Company expressly agrees, by written instrument in form and substance reasonably satisfactory to the Authority, to remain obligated for all obligations and liabilities thereunder, whether incurred before, as of, or after such assignment, and to maintain its legal existence and solvency, provided that clause (b) of Section 2.11.5, below must be satisfied, and, (ii) the assignee is solvent, after giving effect to such transaction, and expressly assumes in writing and agrees to pay and to perform all of the Company's obligations and liabilities thereunder, whether incurred before, as of, or after such assignment, or (b) the Company consolidates with or merges into another domestic entity or permits one or more domestic legal entities to consolidate with or merge into it or the Company transfers or conveys all or substantially all of its assets to another domestic legal entity, but only on the condition that, either, (i) if the Company is the transferee or surviving entity, then the Company expressly agrees, by written instrument in form and substance reasonably satisfactory to the Authority, to remain obligated for all obligations and liabilities thereunder, whether incurred before, as of, or after such assignment, and is solvent, after giving effect to such transaction, and agrees to maintain its legal existence and solvency, and, (ii) if the Company is not the transferee or surviving entity, then the transferee or surviving entity shall be solvent, after giving effect to the transaction, and shall expressly assume in writing and agree to pay and to perform all of the Company's obligations and liabilities thereunder, whether incurred before, as of, or after such transaction.

2.11.5. The Company may assign its interest in the Project, and the Bond Lease and the other Definitive Documents, pursuant to an Exempt Assignment (as defined in the Bond Lease) without the approval of the Authority, but upon prior or contemporaneous notice to the Authority; provided that, (a) any assignee of the Company shall agree to fully and unconditionally assume all obligations of the Company arising under the Bond Lease and such other Definitive Documents, including, without limitation, all indemnity provisions contained in the Bond Lease and the other Definitive Documents, and (b) the assignor and assignee must first receive prior written confirmation from the Authority that the Authority is satisfied that the Company will have the financial capability thereafter to satisfy, and will continue to satisfy, any continuing indemnification and other obligations; without limitation, the Authority may condition its satisfaction with such financial capability upon the Company providing surety satisfactory to the Authority.

2.11.6. Any provision hereof to the contrary notwithstanding, any assignment by the Company of any interest in this Agreement, the Project, the Bond Lease or the other Definitive Documents shall be further subject to the following conditions:

2.11.6.1. If the Authority should, in a writing approved by a resolution of the Authority, consent to an assignment, then the Authority in such consent may agree to release the assignor from all liabilities and obligations accruing under the assigned documents or instruments after the effective date of such assignment;

2.11.6.2. The assignor shall, within fifteen (15) days after the

delivery thereof, furnish or cause to be furnished to the Authority and (after the issuance of the Bond) to the holder of the Bond a true and complete copy of each such assignment, together with any instrument of assumption; and

2.11.6.3. An assignee of the interest of the Company under the Bond Lease must also be the holder of the Bond and the assignee of the Company’s interest under the other Definitive Documents. A pledgee of the interest of the Company under the Bond Lease must also be the pledgee of the Bond and the pledgee of the Company’s interest under the other Definitive Documents. An assignee must assume all obligations of the Company under the assigned instruments and documents. In the event a pledgee shall ever become the owner of the rights and interests of the Company under the pledged instruments and documents by reason of judicial foreclosure, nonjudicial sale under power or other proceedings brought by the pledgee to enforce its rights thereunder, or through any other means or manner in connection therewith, the pledgee shall assume all obligations and responsibilities of the Company thereunder arising from and after the date it becomes the owner.

2.11.7. As used herein, “**Affiliate**” means any person or entity (as used herein “entity” includes, without limitation, any public body) that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, a specified person or entity. Without limitation, “control” of the other person or entity is deemed to exist if a person or entity possesses, directly or indirectly, the power: (A) to vote more than 50% of the voting securities of such other person or entity (on a fully diluted basis) having ordinary power to vote in the election of the governing body of such other person or entity, or (B) to direct or cause the direction of the management or policies of the other person or entity, whether through the ownership of voting securities, by contract or otherwise.

2.11.8. The Bond Lease will provide that the permitted uses of the Project are restricted to those that are described in the Project description provided for on Schedule 1.1 hereto.

3. INCENTIVES TO BE PROVIDED.

3.1. Purpose of Incentives. In order to induce the Company to locate the Project at the Site, the following economic inducements will be provided for the Project by the Authority and other entities, as applicable.

3.2. Ad Valorem Tax Savings.

3.2.1. Basis for Savings. Under the Act, under which the Authority was created and exists, and provided the effect and operation of the provisions of said Act and related laws are in no way impaired or limited by legislative or judicial act after the date of this Agreement, all property owned by the Authority is exempt from *ad valorem* property tax. As the title to the Project transferred by the Company to the Authority by bill of sale will be vested in the Authority during the term of the Bond Lease, the Authority’s interest in the Project, as well as the Company’s leasehold interest therein, will be exempt from *ad*

valorem taxes during the term of the Bond Lease. See *McMillan v. Jacobs*, 249 Ga. 117, 288 S.E.2d 211 (1982) and *Hart County Board of Assessors v. Dunlop Tire & Rubber Corporation*, 252 Ga. 479, 314 S.E.2d 188 (1984). In addition, the Parties also intend that the Bond Lease shall be structured, and shall incorporate the restrictions on use set forth in this Agreement and to be set forth in the Bond Lease, so that the Company’s leasehold interest in the Project will be a mere usufruct, or, as to personal property, a nontaxable bailment for hire, and not a taxable estate for years, with similar provisions to the sub-lessee identified under and pursuant to the holding of the Georgia Supreme Court in *Macon-Bibb County Board of Tax Assessors v. Atlantic Southeast Airlines, Inc.*, 262 Ga. 119, 414 S.E.2d 635 (1992), and the Georgia Court of Appeals in *Joint Development Authority Of Jasper County v. McKenzie*, 367 Ga. App. 514 (2023). Thus, while the Bond Lease is in effect, the Company shall pay no actual taxes on its leasehold interest in the Project irrespective of the Authority’s exemption. However, notwithstanding the foregoing, the Company agrees that in consideration of the Bond Lease structure and other benefits accruing thereunder, so as not to deprive the taxing authorities of revenues which may otherwise flow from the Project, the Company shall make payments in lieu of taxes (each a “**PILOT Payment**,” and collectively the “**PILOT Payments**”) as provided in Schedule 3.2 (the “**Savings Schedule**”) attached hereto and incorporated herein by reference. The Company shall pay normal *ad valorem* property taxes with respect to property it owns which is not titled to the Authority in connection with the issuance of the Bond. In the event that the Company is required to pay any *ad valorem* taxes on any property interests in the Project held by the Authority, such amount of *ad valorem* taxes paid by the Company shall be deducted from the PILOT Payments due from the Company.

3.2.2. Reversion to Normal Taxability. If the option to purchase the Project to the extent it is owned by the Authority is exercised upon termination of the Bond Lease or earlier, in whole or in part, or if the Bond Lease is otherwise terminated or expires, the Project will be taxable according to normal *ad valorem* property taxation rules that are applicable to privately-owned property.

3.2.3. Procedures.

(a) Each year, on or before March 1, the Company will deliver to the Authority a report (the “**Property Report**”). The Property Report shall be used by the Authority to assign the valuation of the portion of the Project titled to the Authority. The Property Report shall detail the following:

- (i) each item of property which has become part of the Project as of January 1 of the same year;
- (ii) each item of property which has become part of the Project in all prior tax years;
- (iii) the tax year in which each item of the property became part of the Project;
- (iv) the original cost of each item of property;

(v) a statement of cumulative capital investment; and

(vi) a statement of the cumulative amount of the assumed annual appreciation (1.00% annually) of each item of property; and

(b) Items (i) through (vi) of subsection (a) above shall be satisfied by the Company’s submission by March 1 of (1) a proforma Georgia personal property tax return (Form PT-50P) for all personal property constituting a part of the Project reflecting the appropriate depreciation group classification for such personal property as set forth on the Form PT-50P; and (2) a proforma Georgia real property tax return (Form PT-50R) for all real property and improvements constituting a part of the Project, but in each case, indicating that such property is owned by the Authority and is exempt from ad valorem taxation.

(c) Billing and Dates for PILOT Payments. The Authority shall bill and collect annually PILOT Payments (as defined in Schedule 3.2 attached hereto) and any applicable Community Recovery Payments due from the Company under these methodologies. At the time tax bills are mailed by the County for the Year or at such other reasonable time as the Authority may determine following the submission of the Community Investment Report (but no earlier than July 1 of any Year) and assigning of a value as set forth above, the Authority will provide the Company an invoice for the amount equal to the PILOT Payment and applicable Community Recovery Payment, if any, due for such Year (each a “**PILOT Invoice**”). The Company may object to a valuation in any Year which the Company reasonably understands to be inconsistent with the value of the Project or procedures set forth in this Agreement, and the Authority and the Company may utilize such reasonable methods to resolve any objection, including mediation, third-party determination, or judicial review, as may be more fully set forth in the Bond Lease. Subject to the negotiated rights between the Company and the Authority to object to the valuation of the Project, the Company will be required to pay the PILOT Invoice in full, by a separate check to the Authority or its designee on or before October 15 of each Year, or within thirty (30) days after such PILOT Invoice is sent, whichever is later. All PILOT Payments and Community Recovery Payments collected by the Authority will be retained, used, and disbursed by the Authority in its discretion in consultation with local taxing authorities. At the time tax bills are mailed by the County for the Year or at such other reasonable time as the Authority may determine following the submission of the Community Investment Report and assigning of a value as set forth above, the Authority will provide the Company an invoice for the amount equal to the PILOT Payment due for such Year. Subject to its rights to appeal as set forth hereinabove, the Company shall pay the invoice in full, by a separate check to the Authority or its designee on or before October 15 of each year, or within 30 days after the invoice is sent, whichever is later.

(d) Should the Company fail to make payments in lieu of taxes required by this Agreement at the times and in the manner provided for in this Agreement, and such failure continues for a period of thirty (30) days following the Company’s receipt of written notice from the Authority, then the Company shall be obligated to pay to the Authority, in addition to such payment in lieu of taxes, an amount that shall be equal to the penalties and interest that would be assessed against the Company if such payment in lieu of taxes were delinquent ad valorem taxes.

The Authority shall notify the Company of any such penalties and interest. The Company hereby agrees that the Authority shall have all of the rights and remedies (including, without limitation, audit rights) related to payments in lieu of taxes, interest and penalties, as the Board of Assessors and the Tax Commissioner would have in the case of ad valorem taxes (including, without limitation, delinquent ad valorem taxes), and the Company agrees upon request of the Authority to grant any security lien or security interest necessary such that the Authority has the equivalent of tax liens for such purposes, subordinate to any prior security titles or security interests permitted elsewhere herein, provided that such subordinate lien or security interest is allowed by the terms of the instruments governing such prior security titles or security interests. Likewise, the Authority hereby agrees that the Company shall have all of the same rights and remedies as it would have in the case of a dispute over ad valorem property taxes, including, without limitation, the right to dispute the valuation used by the Authority. The obligation to make payments in lieu of taxes, and any related interest and penalties, shall be obligations to the Authority, who upon receipt shall disburse them to the applicable public bodies as though they were payments of normal taxes, or any related interest and penalties, as appropriate.

4. JOBS AND INVESTMENT GOALS.

4.1. Inducement. The Company has agreed to construct and locate the Project in the County at the Site, provided, that nothing herein contained shall obligate the Company to make any particular level of investment or create any particular level of jobs. Rather, the Company’s responsibilities regarding such matters shall be governed exclusively by the provisions hereof relating to Community Recovery Payments (provided for in Section 4.9, below). The Company’s foregoing agreement to locate and construct the Project at the Site is based, in part, on the incentives being provided by the Authority in connection with the Bond Lease, this Agreement and the EDA. Such incentives are being provided to induce the Company to locate the Project at the Site, with attendant job creation and investment on the part of the Company, all of which constitutes valuable, non-cash consideration to the Authority and the citizens of the County and of the State. The Parties acknowledge that the incentives provided for in this Agreement serve a public purpose through the job creation and investment generation and provision of Essential Housing represented by the Project. The Parties further acknowledge that the cost/benefit requirements applicable to the Authority in the course of providing such incentives dictate that some measure of recovery must be applied in the event that the anticipated jobs, investment and Essential Housing do not for any reason fully materialize. The Company represents to the Authority that the Site is currently the only location in Georgia that the Company is considering for the Project.

4.2. Community Jobs Goal. For the Performance Period, as provided on the Community Goals Table (“**Community Goals Table**”) included on the “**Community Incentives Schedule**” attached as Schedule 4 hereto and incorporated herein by reference (such period, the “**Performance Period**”) and with respect to the incentives covered by the Incentives Table, the Company shall have the goal of providing not fewer than the number of new full-time jobs at the Project specified on the Community Goals Table as the applicable Community Jobs Goal (the goal applicable in any particular year being the “**Community Jobs Goal**” for such year). For purposes of this Agreement, the number of new “full-time jobs” shall be defined and determined, from time to time, as provided on Schedule 4.2 attached hereto and incorporated herein by reference. Schedule 4.2 also determines how the number of full-time jobs shall be calculated.

4.3. Community Jobs Shortfall Percentage. If, for any year in the Performance Period, the number of full-time jobs at the Project is less than the Community Jobs Goal that is applicable to such year, the actual number of such full-time jobs shall be subtracted from the applicable Community Jobs Goal to obtain the “**Community Jobs Shortfall.**” The number of jobs constituting the Community Jobs Shortfall shall be divided by the applicable Community Jobs Goal and converted to a percentage to determine the “**Community Jobs Shortfall Percentage**” for such year. If there is no shortfall, such percentage shall be 0%.

4.4. Community Investment Goal. For purposes of the incentives covered by the Incentives Table, the Company shall have a “**Community Investment Goal**” of its having invested, in the aggregate, in the Project in each year of the Performance Period the amount for such year specified on the Community Goals Table as the applicable Community Investment Goal (the goal applicable in any particular year, the “**Community Investment Goal**”). For purposes of the Community Investment Goal the investment at the Project shall be calculated on a cumulative basis from the date hereof to the end of each year of the Performance Period. Schedule 4.4 attached hereto and incorporated herein by reference provides rules that shall apply to satisfying the Community Investment Goal. Once the Company meets the Community Investment Goal of \$60,000,000, the Community Investment Goal shall be deemed to have been met for all future years under this Agreement.

4.5. Community Investment Shortfall Percentage. If, for any year in the Performance Period, the cumulative amount of capital investment by the Company in the Project is less than the Community Investment Goal that is applicable to such year, the actual amount of such investment shall be subtracted from the applicable Community Investment Goal to obtain the “**Community Investment Shortfall.**” The amount of investment constituting the Community Investment Shortfall shall be divided by the applicable Community Investment Goal and converted to a percentage to determine the “**Community Investment Shortfall Percentage.**” If there is no shortfall, such percentage shall be 0%.

4.6. Community Housing Goal. For purposes of the incentives covered by the Incentives Table, the Company’s “**Community Housing Goal**” at the Project, is to reserve 27 units in the Project, first for (i) applicants with a member of the household who are employed or have accepted an offer of employment from a department or office with the County and its departments (including constitutional officers like Sheriff, Clerk of Court, etc.) and the Board of Education, and then to (ii) (x) first responders, such as firefighters, paramedics, emergency medical technicians, nurses, and other emergency medical personnel without a medical doctorate, and (y) hospitality and retail workers (the “**Essential Housing**”) in each year of the Performance Period the amount for such year specified on the Community Goals Table as the applicable Community Housing Goal (the goal applicable in any particular year, the “**Community Housing Goal**”). The Company shall not be obligated to reserve any particular unit for Essential Housing for any period once the initial reservation of 27 units has been satisfied with Essential Housing qualified residents. However, the Company will be obligated to backfill units for Essential Housing until the 27 units are occupied for Essential Housing. The Authority reserves the right to waive, upon written request by the Company, the application of the Essential Housing requirements upon a showing of the Company’s inability to obtain qualified applicants: (i) initially after one year, and (ii) thereafter, over a 6 month period. The performance of such agreement between the Authority and the Company is hereby designated as

being subject to Force Majeure being claimed by the Authority on behalf of itself and the Company, and therefore the time for the performance thereof shall be subject to extension on a day for day basis as the result of Force Majeure.

4.7. Community Housing Shortfall Percentage. If, for any year in the Performance Period, the units occupied or reserved for Essential Housing by the Company in the Project is less than the Community Housing Goal that is applicable to such year, the actual amount of such units shall be subtracted from the applicable Community Housing Goal to obtain the “**Community Housing Shortfall**.” The amount of units constituting the Community Housing Shortfall shall be divided by the applicable Community Housing Goal and converted to a percentage to determine the “**Community Housing Shortfall Percentage**.” If there is no shortfall, such percentage shall be 0%.

4.8. Annual Report. On or before February 1 of each year following a calendar year that is in the Performance Period, the Company shall provide to the Authority an annual report for the preceding calendar year which shall include a Community Jobs Report, a Community Investment Report, and a Community Housing Report as described below (each an “**Annual Report**”). For years subsequent to the year in which the Community Investment Goal is met, no further Community Investment Reports shall be required and the Community Investment Shortfall Percentage shall be 0% for such years for purposes of calculating the Project Shortfall Percentage. Each Annual Report shall be in substantially the form of Schedule 4.8 attached hereto and incorporated herein by reference, as revised for the matters being reported.

4.8.1. Community Jobs Report. The Community Jobs Report shall contain a statement as to the full-time jobs at the Project for the immediately preceding year (each, an “**Annual Report Year**”) using the methodology provided above, and shall provide such supporting extracts from the Company’s employment records (consistent with the privacy rights of its employees) as the Authority shall reasonably request.

4.8.2. Community Investment Report. The Community Investment Report shall contain a statement as to the Company’s investment in the Project for the subject Annual Report Year, using the methodology prescribed herein, subject to the provisions of Section 4.4 above, relating to the Company’s satisfaction of the Community Investment Goal.

4.8.3. Community Housing Report. The Community Housing Report shall contain a statement as to the Company’s achievement of the Community Housing Goal for the Project for the subject Annual Report Year and shall provide such supporting extracts from the Company’s leasing records (consistent with the privacy rights of housing applicants) as the Authority shall reasonably request.

4.8.4. Inspection Rights. No more often than once per year during the Performance Period, the Authority and its agents shall be permitted to inspect employment and investment records of the Company, specifically related to the Project, to verify such information during normal business hours and upon reasonable notice. The Company may reasonably redact such records to protect the confidentiality of the Company and its employees or its customers.

4.8.5. Project Shortfall Percentages. The Annual Report shall calculate any Community Jobs Shortfall Percentage, any Community Investment Shortfall Percentage, and any Community Housing Shortfall Percentage. The average of the Community Jobs Shortfall Percentage, the Community Investment Shortfall Percentage and the Community Housing Shortfall Percentage shall be the “**Project Shortfall Percentage,**” which shall also be calculated and stated in the Annual Report.

4.9. Community Recovery Payments. If an Annual Report shows that, for the immediately preceding Annual Report Year, there is a Project Shortfall Percentage, then, the Company, in such Annual Report, shall calculate the amount of the “**Community Recovery Payments,**” and shall pay the same, all pursuant to and as defined in the Community Incentives Schedule.

4.10. Failure to File Report and Make Required Payments. If the Company fails to pay any PILOT Invoice or Community Recovery Payment when due, and such failure continues for a period of ten (10) days following receipt of written notice from the Authority, then interest shall be paid by the Company thereon at the rate of 7% per annum (or such lesser rate as may be allowed by law) until paid. If there has been a failure which is not cured within thirty (30) days following a written notice from the Authority that it be cured, the Authority shall be entitled to enforce its rights under this Section 4.10 and the Company shall indemnify the Authority for all costs of enforcement, including any court costs and reasonable and actual attorneys’ fees and court costs. The Company shall be liable for the payment of any such interest, fees and costs. Notwithstanding the foregoing, the Company shall be responsible for all reasonable costs actually incurred by the Authority in connection with any non-compliance by the Company with this Agreement, including, without limitation, Annual Report errors, omissions and discrepancies, and the Authority shall provide the Company itemized invoices documenting any costs so incurred. Such costs may include, but are not limited to, reasonable fees and disbursements of attorneys actually incurred by the Authority.

4.11. Substantial Failure; Distinctive Features.

4.11.1. Each of the following shall be a “**Substantial Failure**”:

4.11.1.1. The Company fails to operate the Project in any material respect for use as a mixed used, market-rate residential rental community.

4.11.1.2. The Company fails to start physical work of a significant nature towards constructing the Project by December 31, 2027, subject to Force Majeure, in accordance with Section 1.9.6 hereof.

4.11.1.3. The failure of the Company to achieve Year 1 by 2029 in accordance with Section 1.9.6 hereof, subject to Force Majeure, in accordance with Section 1.9.6 hereof.

4.11.1.4. The failure of the Company to design, construct, equip, install and maintain the Project in compliance in all material respects with the Distinctive Features.

4.11.2. The occurrence of a Substantial Failure will constitute sufficient basis for the Authority, in its sole discretion, to increase the amounts payable by the Company (which the Company agrees to pay) under the Savings Schedule from time to time, in any increment that the Authority sees fit in its sole discretion, up to 100% of normal taxes on the Project for the remaining term of the Bond Lease, provided that the Authority likewise may, in its sole discretion, from time to time, in any increment that the Authority sees fit, rescind any such increase. The increase in the amount payable shall constitute payments in lieu of taxes. When applicable, the Authority shall calculate and invoice the Company (with a copy to the Tax Commissioner) for the amount of such payment due, and the Company shall pay the amount due to the Tax Commissioner within thirty (30) days of its receipt of such invoice. Such payment obligation shall be owed by the Company to the Tax Commissioner and if not timely paid, the Company agrees that the Tax Commissioner shall have all rights and remedies with respect thereto, including without limitation, the collection of penalties and interest, and the filing of a tax lien, the same as in the case of unpaid normal taxes.

5. TERMINATION OF AGREEMENT.

5.1. Delay. If, despite the good faith efforts of the Parties, this Agreement is not fully executed on or before February 28, 2025 and validation of the Bond has not occurred by April 30, 2025, or the Closing has not occurred by June 30, 2025, then the Authority or the Company may terminate this Agreement by written notice to the other Party, without any further liability except as otherwise expressly provided in this Agreement.

5.2. Approval by Governing Bodies. Upon its execution of this Agreement, each Party hereto represents and warrants that its governing body or other authorized committee or official thereof has approved and authorized its entry into such Agreement.

5.3. Closing Conditions. Any Party shall have the right to terminate this Agreement prior to the Closing, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice to the other Party, if:

5.3.1. The other Party is in breach of this Agreement.

5.3.2. There has been commenced or threatened against the Authority, the Company, or any Affiliate of the Company, any proceeding (a) involving any challenge to, or seeking damages or other relief in connection with, any of the matters that are the subjects of this Agreement, or (b) that may have the effect of preventing, delaying, making illegal, imposing limitations or conditions on, or otherwise interfering with, any of such matters. An uncontested validation proceeding for the Bond shall not be considered a proceeding within the meaning of this Section.

5.4. The Authority’s Termination Rights. The Authority shall have the right to terminate this Agreement, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice thereof to the other Party, pursuant to any provision allowing it to do so contained elsewhere in this Agreement. Without limitation, the Authority shall have the right to terminate this Agreement, effective immediately

upon giving written notice to the other Party if, by the Closing (or if this Agreement specifies another time therefor, then by such time) each Closing Condition set forth herein in favor of the Authority has not been satisfied. If the Authority does not exercise any such right to terminate by the Closing (or by such other time specified), then, as of the Closing, such right shall be deemed waived with respect to the subject thereof.

5.5. The Company’s Termination Rights. The Company shall have the right to terminate this Agreement prior to Closing, without any further liability except as otherwise expressly provided in this Agreement, effective immediately upon giving written notice thereof to the other Party, for its convenience for any reason or no reason at all, and also pursuant to any provision allowing it to do so contained elsewhere in this Agreement. Without limitation, the Company shall have the right to terminate this Agreement, effective immediately upon giving written notice to the other Party if, by the Closing (or if this Agreement specifies another time therefor, then by such time) each Closing Condition set forth herein in favor of the Company has not been satisfied. If the Company does not exercise any such right to terminate by the Closing (or by such other time specified), then, as of the Closing, such right shall be deemed waived with respect to the subject thereof.

5.6. Effect of Termination. If any Party terminates this Agreement pursuant to a right provided herein or if this Agreement expires, this Agreement shall terminate or expire as to all Parties without any further liability on the part of any Party, except as may theretofore have accrued, or except as otherwise expressly provided in this Agreement, or shall exist as a result of any prior breach hereof.

6. MISCELLANEOUS.

6.1. Notices. Any notice required to be given by any Party pursuant to this Agreement, shall be in writing and shall be deemed to have been properly given, rendered or made only if either (i) delivered personally to the Party or, if such Party is not an individual, to an officer or other legal representative of the Party to whom the same is directed, or (ii) mailed by registered or certified mail, return receipt requested, postage prepaid, or (iii) sent via nationally recognized overnight courier for next business day delivery, addressed to each other Party at the addresses set forth below (or to such other address as any particular Party may designate for notices to it to each other Party from time to time by written notice), and shall be deemed to have been given, rendered or made on the day so delivered or on the date of personal delivery, the first business day after having been deposited with the courier service or the United States Postal Service:

If to the Authority: Putnam Development Authority
107 S Jefferson Avenue
Eatonton, Georgia 31024
Attn: Walt Rocker III, Chairman

with a copy to: Seyfarth Shaw LLP
1075 Peachtree Street NE - Suite 2500
Atlanta, Georgia 30309
Attn: Kevin T. Brown, Esq.

If to the Company: Harmony Road GA, LLC
c/o Southeastern Real Estate Group
2743 Perimeter Pkwy, Bldg 100
Suite 370
Augusta, Georgia 30909
Attn: Matt Mills, Executive Vice President

with a copy to: Arnall Golden Gregory LLP
171 17th Street NW
Suite 2100
Atlanta, GA 30363
Attn: Andrew J. Schutt, Esq.

6.2. Confidential Information. All confidential information acquired by the Authority relating to the Company shall be held in confidence by it, subject to its legal obligations as a public body, including, without limitation O.C.G.A. § 50-18-70 *et seq.* and § 50-14-1 *et seq.* The Company and its advisors shall, prior to the execution and delivery hereof, treat the contents of this Agreement as confidential, and, without limitation, shall not disclose such contents to competing communities or states.

6.3. No Partnership or Agency. No partnership or agency relationship between or among the Parties shall be created as a result of this Agreement.

6.4. Survival of MOU. This Agreement shall survive the Closing and the expiration or termination of the Bond Lease, but may be superseded in whole or in part by the EDA to the extent that the EDA expressly so provides.

6.5. Governing Law. The transactions contemplated hereunder and the validity and effect of this Agreement are exclusively governed by, and shall be exclusively construed and enforced in accordance with, the laws of the State of Georgia, except for the State’s conflicts of law rules.

6.6. Intergovernmental Agreement. This Agreement shall also constitute an intergovernmental agreement under Georgia Constitution Art. IX, Sec. III, Para. I between and among the Authority and the County, acknowledged by the District, the Board of Assessors, and the Tax Commissioner. Such intergovernmental agreement is subject to the 50-year term limit contained in such provision of the Georgia Constitution but shall expire earlier upon its complete performance.

6.7. Amendments. Any amendments, deletions, additions, changes or corrections hereto must be in writing executed by the Parties hereto. This Agreement does not confer any rights or remedies upon any person or entity (including, without limitation, any public body), other than the Parties to this Agreement and their respective permitted successors and assigns. Without limitation, a writing executed only by the Parties hereto or their respective permitted successors and assigns shall be effective to amend or terminate this Agreement.

6.8. Entire Agreement. This Agreement, together with the Definitive Documents (when executed), constitutes the entire agreement between the Parties with respect to the subject matter hereof.

6.9. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

6.10. Counterparts. This Agreement may be signed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument.

6.11. No Personal Liability of Representatives of Authority. No official, member, director, officer, agent, or employee of the Authority shall have any personal liability under or relating to this Agreement. Rather, the agreements, undertakings, representations, and warranties contained herein are and shall be construed only as corporate agreements, undertakings, representations, and warranties, as appropriate, of such public bodies. Without limitation, and without implication to the contrary, all Parties hereto waive and release any and all claims against each such official, member, director, officer, agent, or employee, personally, under or relating to this Agreement, in consideration of the entry of the Authority into this Agreement.

6.12. No Personal Liability of Representatives of Company. No official, member, manager, director, officer, agent, or employee of the Company shall have any personal liability under or relating to this Agreement. Rather, the agreements, undertakings, representations, and warranties contained herein are and shall be construed only as corporate agreements, undertakings, representations, and warranties, as appropriate, of such entity. Without limitation, and without implication to the contrary, all Parties hereto waive and release any and all claims against each such official, member, manager, director, officer, agent, or employee, personally, under or relating to this Agreement, in consideration of the entry of such entity into this Agreement.

6.13. Legal Compliance. The Company agrees that it and its officers and employees acting for it in matters relating to this Agreement shall comply with all applicable provisions of law, including, without limitation, O.C.G.A. § 50-36-1 relating, in part, to public benefits.

6.14. Business Days. References herein to a “business day” are to a day on which the offices of the Authority are open for business.

6.15. Effective Date. This Agreement shall not be effective until it has been fully executed by all Parties hereto.

[SIGNATURES BEGIN ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have executed this Memorandum of Understanding and caused it to be delivered as of the following **“Effective Date”**: _____, 2025.

The “Authority”:

PUTNAM DEVELOPMENT AUTHORITY

By: _____
Chairman

ATTEST:

Secretary

[SEAL]

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

The “Company”:

Harmony Road GA, LLC,
a Georgia limited liability company

By: _____(SEAL)
Name:
Title:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to the County.

PUTNAM COUNTY

By: _____
Chairman, Board of Commissioners

Attest:

Clerk, Board of Commissioners

[COUNTY SEAL]

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to the Putnam County School District.

PUTNAM COUNTY SCHOOL DISTRICT

By: _____
Chairman, Board of Education

Attest:

Name:
Title:

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to the Board of Assessors.

**BOARD OF TAX ASSESSORS
OF PUTNAM COUNTY**

By: _____
Chairman

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

ACKNOWLEDGED

The undersigned acknowledges this Agreement and agrees to the provisions hereof that are applicable to the Tax Commissioner.

**TAX COMMISSIONER OF
OF PUTNAM COUNTY**

By: _____
Terrell E. Abernathy, Tax Commissioner

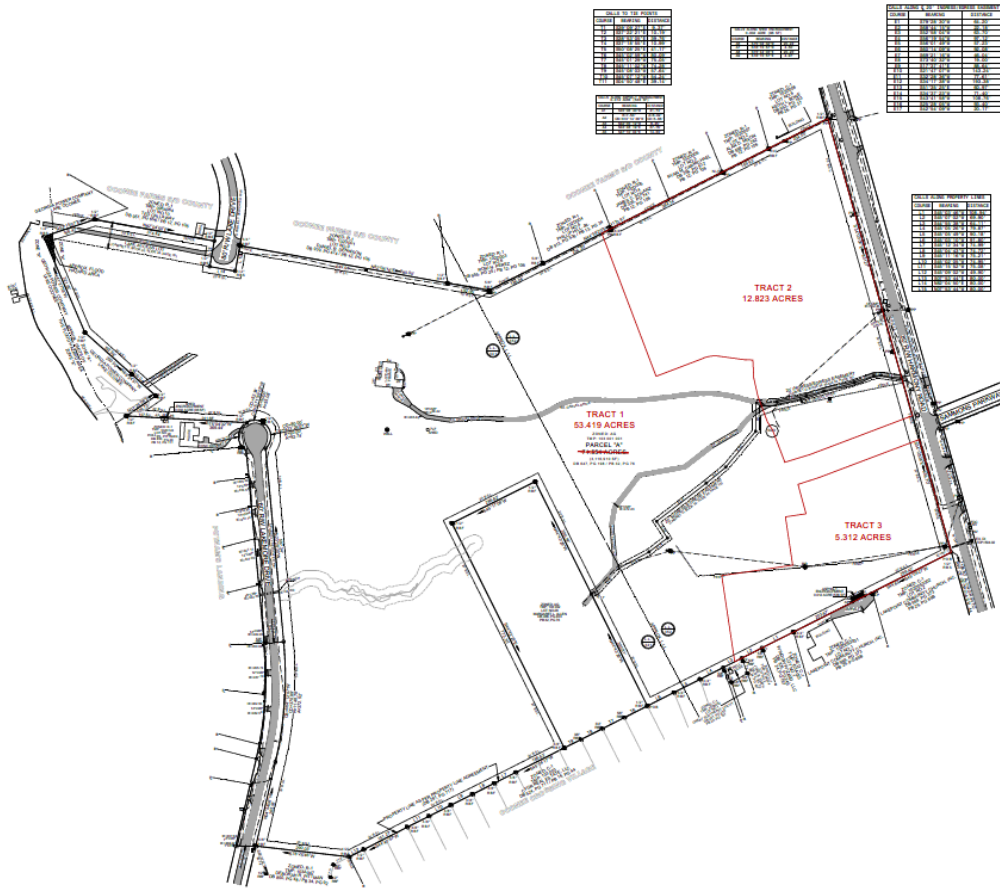
SCHEDULE 1.1

Project Description

The Cottages at Helms Farm is an upscale 275-unit residential community on Lake Oconee in Putnam County, designed to offer both rental and for-sale options. With a focus on luxurious and comfortable living, the community includes a range of modern amenities and scenic lake views, catering to both long-term residents and seasonal guests. Of these 275 units, 27 are specifically reserved for Putnam County employees, first responders, medical providers, hospitality workers, and retail workers, helping address vital local workforce housing needs. The property combines tranquil lakeside living with accessibility to nearby urban conveniences, making it a desirable option for a diverse array of residents in the area.

SCHEDULE 1.4

PRELIMINARY DEPICTION OF THE SITE



SCHEDULE 1.6.2

DISTINCTIVE FEATURES

The Project shall include these Distinctive Features:

- 1) Structure exterior materials will be brick, stucco, stone or Hardie board. Not vinyl exterior except for windows and soffit.
- 2) Amenity package that includes a dock, dog washing station, clubhouse, greenspace.

The Distinctive Features include the further requirements that:

- (i) The size of rental units and mix of rental units shall be within the parameters set forth on Attachment (i) attached to this Schedule 1.6.2 and incorporated herein by reference.
- (ii) The Project shall be constructed to the level of quality of the similar developments listed on Attachment (ii) attached to this Schedule 1.6.2 and incorporated herein by reference, and shall be maintained at such level of quality.
- (iii) The Company shall include reasonable maximum occupancy requirements in its leases for any of the residential rental units comprising the Project, provided that such requirements shall not be construed to require any occupancy limit if such limit would be in violation of any federal or state law or regulation, or ordinance of the City or County, now or hereinafter in effect.
- (iv) The Company shall only request building permits from the County that conform to the above Distinctive Features. Without limitation, the Authority may conclusively rely on the County's records or notice to it or the Company from the County that the Company has failed to comply with such requirement, or failed to construct the Project in compliance with building permits as issued, in determining that there has been a Substantial Failure.

ATTACHMENT (i)
PARAMETERS FOR RENTAL UNITS

The Project will contain a mix of Duplexes, Townhomes, and Single Family Homes that will be at least 500 square feet and contain a mixture of studio units, 1-bedrooms, 2-bedrooms, 3-bedrooms, and, if the market supports it, 4-bedrooms and up.

ATTACHMENT (ii)
SIMILAR DEVELOPMENTS

- 1) The Ansley Cottages, Augusta, Georgia.

SCHEDULE 2.3

AUTHORITY ANNUAL FEE

YEAR	ANNUAL FEE
1-10	\$25,000.00
11-20	\$35,000.00

SCHEDULE 3.2

SAVINGS SCHEDULE

1. As provided in Section 1.9 regarding Year 1 and other matters, Section 3.2 regarding the Savings Schedule, and elsewhere in this Agreement, there is a schedule of payments in lieu of taxes (the “**PILOTS**”) relating to the Project. The Project will receive a property tax savings incentive correlating to the difference between: (i) what the Company normally would pay in *ad valorem* taxes if the Project were titled in the name of the Company as of January 1 of any Year; and (ii) the PILOT required for the applicable Year as provided in the table in Attachment (i) attached to this Schedule 3.2. However, there are no tax savings with respect to special district levies of assessments or fees for any tax year.
2. The Company agrees to make PILOTS with respect to the Project as set forth herein.
3. There shall be no property taxes or PILOTS for the Project’s Construction Period as provided in Section 1.9.5, above.
4. As provided in the table in Attachment (i) attached to this Schedule 3.2, the Company agrees to pay the PILOTS for the Project which are a percentage (*i.e.*, the Payment Percentage) of the normal *ad valorem* property taxes that would be payable if legal title to the Project were vested in the Company instead of the Authority on January 1 of such Year.
5. As provided in Section 1.5.4, the PILOT Payment provided in Schedule 3.2 shall be reduced beginning Year 3 based on equivalent principal reduction in the Bond as provided in Section 1.5.
6. The PILOT required for any Year is in lieu of all *ad valorem* property taxes (School, County, State and other) with respect to items of property comprising the Project titled to the Authority in connection with the issuance of the Bond. The Company shall pay normal property taxes with respect to property not so titled to the Authority.
7. The savings applies to all *ad valorem* property taxes (school, county, state and other) with respect to property comprising part of the Project titled to the Authority in connection with the issuance of the Bond. The Company shall pay normal property taxes with respect to property not so titled to the Authority. There are no property tax savings for special assessments.
8. In the event that the Company is required to pay any *ad valorem* taxes on any property interests in the Project held by the Authority, such amount of *ad valorem* taxes paid by the Company shall be deducted from the PILOTS due from the Company.

ATTACHMENT (i) PILOT PAYMENTS SCHEDULE

Putnam County - Helms Farm Development Bonds for Title
PROPERTY TAX SAVINGS ESTIMATE

REAL PROPERTY

REV 1/7/2025

ASSUMPTIONS

Capital Investment:

Real Property \$60,000,000 Annual Appreciation 1.00% Assessed Value @ 40%
Millage Rate ¹ 17.124

CALCULATIONS

Year ²	Real Property Assessed Value (At 40% per GA law)	Normal Property Taxes (Before Savings)	Savings %	Amount Saved in Property Taxes	Annual Fee to Authority from Company	Total Fees & Payments in Lieu of Taxes by Company
1	\$ 24,000,000	\$ 410,976	75.00%	\$ 308,232	\$ 25,000	\$ 127,744
2	\$ 24,240,000	\$ 424,149	75.00%	\$ 318,112	\$ 25,000	\$ 131,037
3	\$ 24,482,400	\$ 437,544	75.00%	\$ 328,158	\$ 25,000	\$ 134,386
4	\$ 24,727,224	\$ 451,165	75.00%	\$ 338,374	\$ 25,000	\$ 137,791
5	\$ 24,974,496	\$ 465,015	75.00%	\$ 348,761	\$ 25,000	\$ 141,254
6	\$ 25,224,241	\$ 479,096	75.00%	\$ 359,322	\$ 25,000	\$ 144,774
7	\$ 25,476,484	\$ 493,412	75.00%	\$ 370,059	\$ 25,000	\$ 148,353
8	\$ 25,731,248	\$ 507,967	75.00%	\$ 380,976	\$ 25,000	\$ 151,992
9	\$ 25,988,561	\$ 522,764	75.00%	\$ 392,073	\$ 25,000	\$ 155,691
10	\$ 26,248,447	\$ 537,806	75.00%	\$ 403,354	\$ 25,000	\$ 159,451
11	\$ 26,510,931	\$ 553,096	75.00%	\$ 414,822	\$ 35,000	\$ 173,274
12	\$ 26,776,040	\$ 568,639	75.00%	\$ 426,479	\$ 35,000	\$ 177,160
13	\$ 27,043,801	\$ 584,436	75.00%	\$ 438,327	\$ 35,000	\$ 181,109
14	\$ 27,314,239	\$ 600,493	75.00%	\$ 450,370	\$ 35,000	\$ 185,123
15	\$ 27,587,381	\$ 616,813	75.00%	\$ 462,610	\$ 35,000	\$ 189,203
16	\$ 27,863,255	\$ 633,399	75.00%	\$ 475,049	\$ 35,000	\$ 193,350
17	\$ 28,141,887	\$ 650,255	75.00%	\$ 487,692	\$ 35,000	\$ 197,564
18	\$ 28,423,306	\$ 667,385	75.00%	\$ 500,539	\$ 35,000	\$ 201,846
19	\$ 28,707,539	\$ 684,793	75.00%	\$ 513,595	\$ 35,000	\$ 206,198
20	\$ 28,994,615	\$ 702,482	75.00%	\$ 526,861	\$ 35,000	\$ 210,620
TOTAL		\$ 10,991,686		\$ 8,243,765	\$ 600,000	\$ 3,347,922

Net Property Tax Savings³ **\$ 7,643,765**

Net Savings % **70%**

Footnotes

¹ Based on the 2024 aggregate millage rate in unincorporated Putnam County, Georgia; increase in millage is anticipated. 0.5% millage increase is expected each year, with 14% millage increase over the term.

² Year 1 is assumed to be no later than 2027; there are PILOTs during construction in progress years before Year 1, but issuance and annual fees are payable

³ Tax savings is provided through a Bond-for-title structure where title is vested in the Putnam Development Authority under standardized documentation required by the Authority.

SCHEDULE 4

COMMUNITY INCENTIVES SCHEDULE

1. The recovery value (“**Recovery Value**”) of each of the incentives provided pursuant to the Sections of this Agreement identified below shall be as specified in the rows of the table set forth below (the “**Incentives Table**”), with any payments to be made as provided in this Community Incentives Schedule to the payees indicated as follows:

INCENTIVES TABLE

SECTION	INCENTIVE	RECOVERY VALUE	RECOVERY FACTOR	RECOVERY PAID TO*
3.2	Property Tax Savings on Project	Actual amount of <i>ad valorem</i> property taxes on Project saved each year	100%	Appropriate Taxing Authorities, Pro Rata in Proportion to Applicable Millage Rates

2. The Company shall make a payment with respect to each incentive listed in the Incentives Table above (each payment, a “**Community Recovery Payment**,” and collectively, the “**Community Recovery Payments**”) to the respective payees so specified based on the Recovery Value as so determined for each year included in the Performance Period in which a Project Shortfall Percentage is determined as provided in this Agreement. If the Project Shortfall Percentage is 0% or less, there shall be no Community Recovery Payment due.
3. The table (“**Community Goals Table**”) set forth below sets forth the Community Jobs Goal and Community Investment Goal for the Project. For all purposes of this Agreement, the “**Performance Period**” is the years included in the Savings Schedule, beginning with its Year 1. The Community Goals Table applies to incentives covered by the above Incentives Table.

COMMUNITY GOALS TABLE			
PERFORMANCE PERIOD (INCLUDES ALL YEARS SCHEDULED BELOW, AND ANY YEAR THROUGH WHICH THE PERFORMANCE PERIOD IS EXTENDED)	COMMUNITY JOBS GOAL (CUMULATIVE)	COMMUNITY INVESTMENT GOAL (CUMULATIVE)	COMMUNITY HOUSING GOAL (CUMULATIVE)
Year 1 and thereafter through Year 3	2	\$30 million	10 units

Year 3 and thereafter through and including Year 20	3	\$60 million	27 units
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4. The Community Jobs Goal, the Community Housing Goal, and the Community Investment Goal in any Year are each subject to the effect of Force Majeure. The effect of Force Majeure for such purposes shall be that for any Year in which the Company is entitled to claim, and does claim, the benefit of such provision, the Company shall be considered in compliance with its Community Jobs Goal, the Community Housing Goal, and/or Community Investment Goal, as applicable, provided that, in no event shall Force Majeure extend the Savings Schedule or the Term.

5. For each year for which a Project Shortfall Percentage is determined as provided in this Agreement, in order to determine the Community Recovery Payment for each incentive in the Incentives Table, such Project Shortfall Percentage shall be multiplied times the Recovery Value, the result shall be multiplied times the corresponding Recovery Factor, the result shall be the Community Recovery Payment, and the Company shall pay the amount thereof to the party or parties specified above simultaneously with its delivery of the Annual Report for the subject Year as required by this Agreement.

6. (a) Each of the following shall be a “**Trigger Event**” hereunder:
 - (i) The expiration or termination of the Bond Lease at a time when any part of the Project is subject to a Payment Percentage less than 100%, including, without limitation, expiration or termination in connection with the exercise of the Purchase Option provided for in Section 2.8 of this Agreement; and/or

 - (ii) A “**Project Closing**.” A Project Closing is defined as the permanent or temporary shutdown of the complete Project. An action that results in the effective cessation of the operation of the complete Project is a shutdown. A “temporary shutdown” is a Trigger Event only if it continues for a period of ninety (90) consecutive days or exists for a total of one hundred and twenty (120) days in a calendar year, whether or not such days are consecutive.

- (b) Upon the occurrence of a Trigger Event, the Payment Percentage provided in the Savings Schedule shall become 100% (and the Savings Percentage shall become 0%) for each subsequent year, any provision hereof to the contrary notwithstanding.

- (c) As soon as reasonably possible after it is aware of (but no later than immediately after the occurrence of) a Trigger Event, the Company shall file with the Authority a special Annual Report that shall comply as appropriate with Section 4.8 of this Agreement and shall also calculate what the Community Recovery Payments would be in the aggregate for each subsequent Year through the end of the period for which any part of the Project would be subject to a Payment Percentage less than 100%, ignoring any Force Majeure, using the actual investment amount through the date of the calculation, and assuming that jobs for each year after the year of calculation amount to zero. In the calculation of the Special Recovery Payment, the Company may exclude as a Recovery Value any property tax savings for years

after the Project reverts to normal property taxation or the Payment Percentage for all of the Project becomes 100%. The amount so calculated shall be subject to audit by the Authority, and upon acceptance by the Authority, such amount shall constitute a “**Special Recovery Payment.**” The Company shall pay the amount of the Special Recovery Payment to the Authority promptly upon being invoiced therefor and shall pay any past due normal Community Recovery Payments in arrears. The Authority shall have the same rights and remedies with respect to such Special Recovery Payment as with normal Community Recovery Payments, including, but not limited to, the Company’s liability for the payment of any interest, fees and costs (including, without limitation, attorneys’ fees incurred by the Authority), as provided in Section 4.10 hereto. For purposes of clarity, failure to pay any Special Recovery Payment payable under this Agreement when due shall result in the accrual of interest thereon in the same manner as for any failure to pay normal Community Recovery Payments. Any provision of this Agreement to the contrary notwithstanding, the Authority shall be under no obligation to perform under the Purchase Option provided for in Section 2.8 hereof until it has received payment of the Special Recovery Payment and any normal Community Recovery Payments that are past due.

SCHEDULE 4.2

RULES FOR SATISFYING THE COMMUNITY JOBS GOAL

1. For purposes of this Agreement, the number of new “full-time jobs” shall be defined and determined, from time to time, as provided follows:
 - a) Direct employees of the Company or an Affiliate of the Company created after Year 1 shall be counted.
 - b) Employees of the Company’s direct contractor(s) who are paid by the Company’s direct contractor(s) for working at the Site or on behalf of the Company.
 - c) In determining the number of full time jobs a portion of the definition of “full-time job” from the job tax credit regulations of the Georgia Department of Community Affairs, which portion is set forth below, shall be used, but shall be modified as follows: “In no event shall any temporary employee or leased employee be counted as occupying a full-time job, regardless of whether or not such person is employed by the Company or any other person or entity.”
 - d) Subject to such modification, “**full-time job**” means the following: “a job with no predetermined end date (other than a retirement date), with a regular work week of 35 hours or more on average for the entire normal year of local Company operations, and with benefits provided to other regular employees of the local Company, but does not mean a job classified for federal tax purposes as an independent contractor.”

2. The number of full-time jobs shall be calculated as provided below.
 - a) The number of jobs shall be determined based on the monthly average number of full-time employees subject to Georgia income tax withholding for the taxable year.
 - b) The monthly average number of full-time employees in a taxable year shall be determined by the following method:
 - (i) for each month of the taxable year, count the total number of full-time employees of the business enterprise that are subject to Georgia income tax withholding as of the last payroll period of the month or as of the payroll period during each month used for the purpose of reports to the Georgia Department of Labor;
 - (ii) add the monthly totals of full-time employees; and
 - (iii) divide the result by the number of months the business enterprise was in operation during the taxable year. Transferred jobs, except for jobs transferred to the Project from outside the State of Georgia, and replacement jobs may not be included in the monthly totals.

SCHEDULE 4.4

RULES FOR SATISFYING THE COMMUNITY INVESTMENT GOAL

1. Only capital investments in the Project by the Company, including those made on its behalf, such as by developers, contractors, or Affiliates, shall be counted regardless of whether such capital investment is subject to tax abatement, except as provided in 5 below.
2. Original cost, without regard to depreciation, shall be used in calculating whether the Community Investment Goal is met.
3. Both direct and indirect costs that are incurred to build and market the Project shall be counted and used in calculating whether the Community Investment Goal is met.
4. Capital investment in the Project for any portions subsequently conveyed or released in accordance with Section 1.5 shall be counted and used in calculating whether the Community Investment Goal is met.
5. Transferred equipment relocated by the Company to the Project shall not be included as part of the Project, and neither the cost nor value thereof shall be counted in calculating whether the Community Investment Goal is met.
6. Machinery and equipment leased to the Company under an operating lease (even though such property is not titled to the Authority and is not leased to the Company under the Bond Lease) and other machinery and equipment owned or beneficially owned by the Company but not leased to it under the Bond Lease, shall be counted. The Parties understand that personal property will not be financed through the Bond and will not benefit from the Savings Schedule.

SCHEDULE 4.8

FORM OF ANNUAL REPORT

[DATE]

[AUTHORITY]

Re: Memorandum of Understanding (“MOU”) and Economic Development Agreement (“EDA”) between the Putnam Development Authority (“Authority”) and Harmony Road GA, LLC (“Company”) regarding the capital project located in Putnam County, Georgia (the “Project”) – 20__ Annual Report

Dear _____:

This letter shall serve as the 20__ Annual Report, as required under the MOU and EDA.

1. Community Jobs Report

As of December 31, 20__, the total number of full-time jobs located at the Project was _____. We have enclosed _____, as evidence of such job creation.

The Community Jobs Goal for _____ was _____ jobs. The Community Jobs Shortfall for the year _____ is _____ jobs. The Community Jobs Shortfall Percentage is _____% (____ ÷ ____).

2. Community Investment Report

As of December 31, 20__, the Company has invested \$_____ in the Project.

The Community Investment Goal for 20__ was \$_____. Therefore, the Community Investment Shortfall Percentage is ____%.

3. Community Housing Report

As of December 31, 20__, the Company has reserved _____ units in the Project.

The Community Housing Goal for 20__ was 27 units. Therefore, the Community Housing Shortfall Percentage is ____%.

4. Community Recovery Payments

The Project Shortfall Percentage for 20__ is _____% ((____% + ____% + ____%) ÷ 3). [IF A COMMUNITY RECOVERY PAYMENT IS DUE, THAT PAYMENT SHOULD BE CALCULATED HERE BASED ON THE RECOVERY SCHEDULE IN THE MOU.]

5. Outstanding Bond Balance

As of December 31, 20___, the outstanding balance on the Bond was \$_____.

5. Payments in Lieu of Taxes

For the prior tax year ending December 31, 20___, the normal ad valorem taxes which would have been otherwise due on the Project but for the MOU and the Bond would have been approximately \$_____, the tax savings to the Company for the Project were approximately \$_____, and the payments in lieu of taxes paid under the MOU and EDA were \$_____.

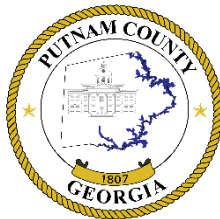
Please do not hesitate to let us know if you require any additional information.

Sincerely,

Enclosures

File Attachments for Item:

9. Authorization for the Chairman to sign Resolution Authorizing Participation in the ACCG - Interlocal Risk Management Agency Supplemental Medical, Accident, and Disability Fund: First Responder PTSD Program (staff-HR)



RESOLUTION AUTHORIZING PARTICIPATION IN THE ACCG - INTERLOCAL RISK MANAGEMENT AGENCY SUPPLEMENTAL MEDICAL, ACCIDENT, AND DISABILITY FUND: FIRST RESPONDER PTSD PROGRAM

WHEREAS, Article 9, Section 3, Paragraph 1 of the Constitution of Georgia authorizes counties and other political subdivisions to contract with each other for activities which the contracting parties are authorized by law to undertake; and,

WHEREAS, Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes counties to execute intergovernmental contracts to form, and become members of, an interlocal risk management agency for the purpose of sharing the risks of accident, disability, supplemental medical, general liability, motor vehicle liability, property damage, or any combination of such risks with those of other counties; and,

WHEREAS, counties within Georgia have found it increasingly difficult to obtain commercial insurance protection, and have found the costs of such protection often exceed the ability of a county to pay; and,

WHEREAS, counties in Georgia need a stable method for managing their risks to avoid the unpredictable and cyclical nature of the commercial insurance market; and,

WHEREAS, many Georgia counties do not have sufficient resources to self-insure their risks on an individual basis; and,

WHEREAS, through the Association County Commissioners of Georgia, Georgia counties have created an intergovernmental risk management agency so that the Georgia counties may insure and/or self-insure their risks; and,

WHEREAS, the County of Putnam is an existing member of the Association County Commissioners of Georgia – Interlocal Risk Management Agency (hereafter referred to as ACCG–IRMA), an interlocal risk management agency formed pursuant to Chapter 85 of Title 36 of the Official Code of Georgia Annotated, and previously has entered into an intergovernmental contract for the purpose of joining ACCG-IRMA and participating in the ACCGIRMA Property and Liability Fund and/or the first Supplemental Medical, Accident and Disability Fund known as the Firefighters’ Cancer Benefit Program (the “Fund(s)”); and,

WHEREAS, ACCG-IRMA has also established a second Supplemental Medical, Accident, and Disability Fund known as the First Responder PTSD Program for the purpose of protecting against certain other liabilities imposed upon Georgia counties by state law; and,

WHEREAS, the governing authority of the County of Putnam finds that it is in the best interest of its citizens to participate in this second ACCG-IRMA Supplemental Medical, Accident, and Disability Fund (the First Responder PTSD Program),

NOW THEREFORE, BE IT RESOLVED by the governing authority of the County of Putnam, Georgia:

SECTION 1

The governing authority of the County of Putnam hereby authorizes the County to become a participant in the ACCG-IRMA Supplemental Medical, Accident, and Disability Fund known as the First Responder PTSD Program for the purpose of providing coverage for those risks imposed upon the County by state law and for which the Supplemental Medical, Accident, and Disability Fund has been established. The County’s continuing participation in the ACCG-IRMA Fund(s) in which the County is currently enrolled is hereby confirmed.

SECTION 2

The Chairman of the Board of Commissioners of the County of Putnam is authorized to execute on behalf of the County any and all documents necessary and proper to become a participant in the ACCG-IRMA Supplemental Medical, Accident, and Disability Fund known as the First Responder PTSD Program.

SECTION 3

The powers of ACCG-IRMA, unless the intergovernmental contract and ACCG-IRMA bylaws are amended, shall be limited to those authorized by Chapter 85 of Title 36 of the Official Code of Georgia Annotated, and the related Rules and Regulations of the Commissioner of Insurance of the State of Georgia.

SECTION 4

The continuing operations of ACCG-IRMA and the obligation of the County to fully participate in such operations shall be effectuated in accordance with the intergovernmental contract and ACCG-IRMA bylaws.

SECTION 5

The County Manager is designated as the County's representative to ACCG-IRMA. The County may change its representative by informing ACCG-IRMA of the change in writing.

SECTION 6

This resolution shall be effective upon its passage and approval.

Adopted this 21st day of January 2025.

B. W. “Bill” Sharp, Chairman
Putnam County Board of Commissioners

ATTEST:

Lynn Butterworth, County Clerk
(Imprint County Seal)

File Attachments for Item:

10. Authorization for Chairman to sign GDOT LMIG Grant Application for FY2025 (staff-CM)



DISTRICT ONE:
GARY MCELHENNEY

DISTRICT TWO:
DANIEL W. BROWN

CHAIRMAN:
B.W. "BILL" SHARP

DISTRICT THREE:
STEPHEN HERSEY

DISTRICT FOUR:
JEFFREY G. WOOTEN, SR.

January 21, 2025

Georgia Department of Transportation
643 HWY 15 South
Tennille, GA 31089
ATTN: Matthew Sammons, District 1 State Aid Coordinator

RE: Putnam County – 2025 LMIG Submittal

Dear Mr. Sammons:

On behalf of the Board of Commissioners, please find attached the required documentation to support the FY 2025 LMIG submittal.

The 2025 LMIG funding will be applied towards patching, leveling, and resurfacing 20' foot wide asphalt roads: Denham Road, Old Copelan, Quail Knoll, Carter Dearman, Lakeview Estates, Lakeview Lane, Martin Oaks, Lakeview Drive, Long Shoals Avenue, Willow Forest Road, Willow Trace Court, Bark Circle, Shoreline Court, and Cold Branch Road. The required 30% minimum local LMIG match is \$189,467.11.

The County appreciates your responsiveness and assistance over the years, and we look forward to the continued successful partnership with the Georgia Department of Transportation.

Sincerely,

B.W. "Bill" Sharp
Chairman

cc: Paul Van Haute, County Manager

**GEORGIA DEPARTMENT OF TRANSPORTATION LOCAL MAINTENANCE & IMPROVEMENT
GRANT (LMIG) APPLICATION FOR FISCAL YEAR 2025
TYPE OR PRINT LEGIBLY. ALL SECTIONS MUST BE COMPLETED.**

LOCAL GOVERNMENT AFFIDAVIT AND CERTIFICATION

I, B. W. "Bill" Sharp (Name), the Chairman (Title), on behalf of Putnam County Board of Commissioners (Local Government), who being duly sworn do swear that the information given herein is true to the best of his/her knowledge and belief. Local Government swears and certifies that it has read and understands the LMIG General Guidelines and Rules and that it has complied with and will comply with the same.

Local government further swears and certifies that it has read and understands the regulations for the Georgia Planning Act (O.C.G.A. § 45-12-200, et seq.), Service Delivery Strategy Act (O.C.G.A. § 36-70-20, et seq.), Immigration Sanctuary Policies; prohibition; penalties (O.C.G.A. § 36-80-23), and the Local Government Budgets and Audits Act (O.C.G.A. § 36-81-7 et seq.) and will comply in full with said provisions. Local government further swears and certifies that the roads or sections of roads described and shown on the local government’s Project List are dedicated public roads and are part of the Public Road System in said county/city. Local government further swears and certifies that it complied with federal and/or state environmental protection laws and at the completion of the project(s), it met the match requirements as stated in the Transportation Investment Act (TIA) (O.C.G.A. § 48-8-240).

Further, the local government shall be responsible for any claim, damage, loss or expense that is attributable to negligent acts, errors, or omissions related to the designs, drawings, specifications, work and other services furnished by or on behalf of the local government pursuant to this Application (“Loss”). To the extent provided by law, the local government further agrees to hold harmless and indemnify the DEPARTMENT and the State of Georgia from all suits or claims that may arise from said Loss.

If the local government fails to comply with these General Guidelines and Rules, or fails to comply with its Application and Certification, or fails to cooperate with the auditor(s) or fails to maintain and retain sufficient records, the DEPARTMENT may, at its discretion, prohibit the local government from participating in the LMIG program in the future and may pursue any available legal remedy to obtain reimbursement of the LMIG funds. Furthermore, if in the estimation of the DEPARTMENT, a project shows evidence of failure(s) due to poor workmanship, the use of substandard materials, or the failure to follow the required design and construction guidelines as set forth herein, the Department may pursue any available legal remedy to obtain reimbursement of the allocated LMIG funds or prohibit local government from participating in the LMIG program until such time as corrections are made to address the deficiencies or reimbursement is made. All projects identified on the Project list shall be constructed in accordance with the Department’s Standard Specifications of Transportation Systems (Current Edition), Supplemental Specifications (Current Edition), and Special Provisions.

Local Government: _____

(Signature)

Commission Chairperson (Print)
Mayor / Commission Chairperson
January 21, 2025 (Date)

LOCAL GOVERNMENT SEAL (required):

49222
E-Verify Number

Sworn to and subscribed before me,

This 21st day of January, 2025.

In the presence of:

NOTARY PUBLIC

My Commission Expires:

NOTARY PUBLIC SEAL (required):

**CERTIFICATION OF COMPLIANCE WITH
ANNUAL IMMIGRATION REPORTING REQUIREMENTS/
NO SANCTUARY POLICY/FEDERAL LAW ENFORCEMENT COOPERATION**

By executing this document, the undersigned duly authorized representative of the Local Governing Body, certifies that the Local Governing Authority:

- 1) has filed a compliant Annual Immigration Compliance Report with the Georgia Department of Audits & Accounts ("GDA&A") for the preceding calendar year required by O.C.G.A. § 50-36-4(b), or has been issued a written exemption from GDA&A from doing so;
- 2) has not enacted a "Sanctuary Policy" in violation of O.C.G.A. § 36-80-23(b); and,
- 3) is in compliance with O.C.G.A. §§ 35-1-17 et seq. regarding its obligation to cooperate with federal immigration enforcement authorities to deter the presence of criminal illegal aliens.

As an ongoing condition to receiving funding from the Georgia Department of Transportation, the Local Governing Body shall continue to remain fully compliant with O.C.G.A. §§ 50-36-4, 36-80-23 and 35-1-17 et seq. for the duration of time the subject agreement is in effect.

Signature of Authorized Officer or Agent

B. W. "Bill" Sharp

Printed Name of Authorized Officer or Agent

Chairman

Title of Authorized Officer or Agent

January 21, 2025

Date

LMIG 2025

District	FROM	TO	Miles		Total
District 1					
Denham Rd	Tanyard	Hunter Chase	2.1	\$ 200,000.00	\$420,000
District 2					
Old Copelan	Scuffleboro	End of pavement	2	\$ 200,000.00	\$400,000
Quail Knoll	Old Copelan	End of pavement	0.7		
Carter Dearman	Hwy 16	Oconee Springs Rd	1.5	\$ 200,000.00	\$140,000
District 3					
Lakeview Estates	Lakeview Dr	Lakeview Lane	0.4	\$ 200,000.00	\$80,000
Lakeview Lane	Lakeview Estates	Martin Oaks	0.4	\$ 200,000.00	\$80,000
Martin Oaks	Lakeview Lane	End of pavement	0.6	\$ 200,000.00	\$120,000
Lakeview Drive	Entrance		0.1	\$ 200,000.00	\$20,000
District 4					
Long Shoals Ave	Long Shoals Rd	End of Pavement	1	\$ 200,000.00	\$200,000
Willow Forest Rd	S Cay Dr	Cul-de-Sac	0.51	\$ 200,000.00	\$102,000
Willow Trace Ct	Willow Forest	End of Pavement	0.13	\$ 200,000.00	\$26,000
Bark Circle	Cul-de-Sac/WillowTrace	Cul-de-Sac	0.11	\$ 200,000.00	\$22,000
Shoreline Ct	Cul-de-Sac/Sbluegillct	Cul-de-Sac	0.4	\$ 200,000.00	\$80,000
Cold Branch Rd	Scuffleboro	Sinclair Rd	2.77	\$ 200,000.00	\$554,000
Grand Total					\$1,460,000

LMIG Funds	\$ 631,557.02
Match 30%	\$ 189,467.11
Total	\$ 821,024.13

Re: District 2 Road List

From Anthony Frazier <afrazier@putnamcountyga.us>
Date Mon 1/6/2025 4:54 PM
To Paul Van Haute <pvanhaute@putnamcountyga.us>

Sir,

We have looked at the current resurfacing list and the remaining county roads in Dist. 2. The pickings are pretty slim to be honest. Please see the list below. It's not very much as the larger roads in that district are already on the list and a good many of the smaller roads have either been redistricted or have already been resurfaced within the last 5-7 years and are still in reasonably good condition.

- Old Copelan - 1.98 miles (area where it changes to dirt was completely destroyed)
- Quail Knoll - .68 miles
- Carter Dearman - 1.55 miles (heavy cracking along full length, nothing displaced yet but it's a matter of time until the degrdation begins.)

Respectfully,

Anthony Frazier
Director
Putnam County Public Works
115 W. Forrest St
Eatonton Ga 31024
Office 706 485-8817
Cell 706 816-8515



From: Paul Van Haute <pvanhaute@putnamcountyga.us>
Sent: Saturday, January 4, 2025 2:13 PM
To: Anthony Frazier <afrazier@putnamcountyga.us>
Subject: Re: District 2 Road List

No more than 10 miles.



Re: Additional paving

From Anthony Frazier <afrazier@putnamcountyga.us>
Date Mon 1/13/2025 5:49 PM
To Paul Van Haute <pvanhaute@putnamcountyga.us>

Sir,
Please see below for recommendations for additional paving in Dist 3 and 4. Both recommendations are slightly over the requested 2 miles to allow for some options. Please let me know if you have questions or concerns.

Dist 3
Kingfish Rd - .75 miles
Ace Dr - .42 miles
Crooked Creek Bay Rd - .85 miles
Bay Ct - .11 miles

Total - 2.13 miles

Dist 4
Willow Forrest Rd - .51
Willow Trace Ct - .13 miles
Bark Cir - .11 miles
Shoreline Ct - .23
Cold Branch Rd - 2.77

Total 3.75 miles

Anthony Frazier
Director
Putnam County Public Works
115 W. Forrest St
Eatonton Ga 31024
Office 706 485-8817
Cell 706 816-8515

File Attachments for Item:

11. Discussion and possible action on House Bill 581 (SH)

House Bill 581 (AS PASSED HOUSE AND SENATE)

By: Representatives Blackmon of the 146th and Crowe of the 118th

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to provide requirements for ad valorem property tax bills; to provide for
3 definitions; to provide for minimum mandatory reappraisal of parcels; to provide that county
4 boards of tax assessors shall have the right to appeal concerning sales ratio studies under
5 certain conditions; to revise the limitation on increasing new valuations established through
6 appeals or agreements; to revise the required contents of annual notices of assessment; to
7 revise requirements for notices of current assessment; to provide for a statewide adjusted
8 base year ad valorem homestead exemption and provide procedures for opting out of such
9 homestead exemption at the local level; to revise provisions for the maximum allowable sales
10 and use tax rate; to authorize a new local option sales tax for the purpose of property tax
11 relief in those political subdivisions that have in effect a base year value or adjusted base year
12 value homestead exemption; to provide for authorization of tax and applicability; to provide
13 for local authorization and referenda; to provide for imposition and termination of tax; to
14 provide for administration and collection of tax; to provide for returns; to provide for
15 distribution of tax proceeds; to provide for an effective date, applicability, and a contingent,
16 automatic repeal; to provide for related matters; to repeal conflicting laws; and for other
17 purposes.

H. B. 581

- 1 -

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

19 **PART I**
20 **SECTION 1-1.**

21 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
22 amended in Code Section 48-5-2, relating to definitions, by revising the introductory
23 language of paragraph (3) and by adding a new paragraph to read as follows:

24 "(2.1) 'Estimated roll-back rate' means the current year's estimated millage rate minus the
25 millage equivalent of the total net assessed value added by reassessments:

26 (A) As calculated and certified to the tax commissioner by the levying authority for
27 county and educational tax purposes; and

28 (B) As calculated and certified to the collecting officer of the municipality by the
29 levying authority for municipal tax purposes.

30 (3) 'Fair market value of property' means the amount a knowledgeable buyer would pay
31 for the property and a willing seller would accept for the property at an arm's length, bona
32 fide sale. The income approach, if data are available, shall be considered in determining
33 the fair market value of income-producing property. If actual income and expense data
34 are voluntarily supplied by the property owner, such data shall be considered in such
35 determination. ~~Notwithstanding any other provision of this chapter to the contrary, the~~
36 ~~transaction amount of the most recent arm's length, bona fide sale in any year shall be the~~
37 ~~maximum allowable fair market value for the next taxable year.~~ With respect to the
38 valuation of equipment, machinery, and fixtures when no ready market exists for the sale
39 of the equipment, machinery, and fixtures, fair market value may be determined by
40 resorting to any reasonable, relevant, and useful information available, including, but not
41 limited to, the original cost of the property, any depreciation or obsolescence, and any

42 increase in value by reason of inflation. Each tax assessor shall have access to any public
43 records of the taxpayer for the purpose of discovering such information."

44 **SECTION 1-2.**

45 Said title is further amended by adding a new Code section to read as follows:

46 "48-5-34.

47 (a) In addition to any other requirements provided by law, the ad valorem property tax bill
48 form shall be prepared annually by the county tax commissioner or collector and furnished
49 to each taxpayer who owes state, county, or county school tax for the current tax year. The
50 form shall provide the total amount of such taxes levied on property owned by the
51 taxpayer, the amount of property tax credit granted by Act of the 1973 Session of Georgia's
52 General Assembly, and the net amount of such taxes due for the current tax year.

53 (b) In addition to the requirements of subsection (a) of this Code section, regarding any
54 ad valorem property tax bill where the millage rate adopted by a tax authority exceeds the
55 estimated roll-back rate, such tax bill shall include a notice containing the name of such
56 taxing authority and the following statement in bold print:

57 'The adopted millage rate exceeds the estimated roll-back rate as stated in the annual
58 notice of assessment that you previously received for this taxable year, which will
59 result in an increase in the amount of property tax that you will owe.'

60 **SECTION 1-3.**

61 Said title is further amended in Code Section 48-5-264, relating to designation and duties of
62 chief appraiser, by adding a new subsection to read as follows:

63 "(d) The chief appraiser shall ensure that every parcel in his or her respective county is
64 appraised at least every three years."

65 **SECTION 1-4.**

66 Said title is further amended in Code Section 48-5-274, relating to the establishment of
 67 equalized adjusted property tax digest, establishment and use of average ratio, information
 68 to be furnished by state auditor, grievance procedure, and information to be furnished by
 69 commissioner, by revising paragraph (1) of subsection (f) as follows:

70 "(f)(1) Each county governing authority, each governing authority of a municipality
 71 having an independent school system, ~~and each local board of education, and each county~~
 72 board of tax assessors, when aggrieved or when having an aggrieved constituent, shall
 73 have a right, upon written request made within 30 days after receipt of the digest
 74 information, to refer the question of correctness of the current equalized adjusted property
 75 tax digest of the local school system to the state auditor. The state auditor shall take any
 76 steps necessary to make a determination of the correctness of the digest and to notify all
 77 interested parties of the determination within 45 days after receiving the request
 78 questioning the correctness of the digest."

79 **SECTION 1-5.**

80 Said title is further amended in Code Section 48-5-299, relating to ascertainment of taxable
 81 property, assessments against unreturned personal property, penalty for unreturned property,
 82 and changing real property values established by appeal in prior year or stipulated by
 83 agreement, by revising subsection (c) as follows:

84 "(c) When the value of real property is reduced ~~or is unchanged~~ from the value on the
 85 initial annual notice of assessment or a corrected annual notice of assessment issued by the
 86 board of tax assessors and such reduced valuation has been established as the result of an
 87 appeal decision rendered by the board of equalization, hearing officer, arbitrator, or
 88 superior court pursuant to Code Section 48-5-311 or stipulated by written agreement signed
 89 by the board of tax assessors and taxpayer or taxpayer's authorized representative, the new
 90 valuation so established by appeal decision or agreement may not be increased by the board

91 of tax assessors during the next two successive years, unless otherwise agreed in writing
92 by both parties, subject to the following exceptions:

93 (1) This subsection shall not apply to a valuation established by an appeal decision if the
94 taxpayer or his or her authorized representative failed to attend the appeal hearing or
95 provide the board of equalization, hearing officer, or arbitrator with some written
96 evidence supporting the taxpayer's opinion of value;

97 (2) This subsection shall not apply to a valuation established by an appeal decision or
98 agreement if the taxpayer files a return at a different valuation during the next two
99 successive years;

100 (3) Unless otherwise agreed in writing by both parties, if the taxpayer files an appeal
101 pursuant to Code Section 48-5-311 during the next two successive years, the board of tax
102 assessors, the board of equalization, hearing officer, or arbitrator may increase or
103 decrease the value of the real property based on the evidence presented by the taxpayer
104 during the appeal process; and

105 (4) The board of tax assessors may increase or decrease the value of the real property if,
106 after a visual on-site inspection of the property, it is found that there have been substantial
107 additions, deletions, or improvements to such property or that there are errors in the board
108 of tax assessors' records as to the description or characterization of the property, or the
109 board of tax assessors finds an occurrence of other material factors that substantially
110 affect the current fair market value of such property."

111 **SECTION 1-6.**

112 Said title is further amended in Code Section 48-5-306, relating to annual notice of current
113 assessment, contents, posting notice, and new assessment description, by revising paragraphs
114 (1) and (2) of subsection (b) as follows:

115 "(1) The annual notice of current assessment required to be given by the county board of
116 tax assessors under subsection (a) of this Code section shall be dated and shall contain

117 the name and last known address of the taxpayer. The annual notice shall conform with
 118 the state-wide uniform assessment notice which shall be established by the commissioner
 119 by rule and regulation and shall contain:

120 (A) The amount of the previous assessment;

121 (B) The amount of the current assessment;

122 (C) The year for which the new assessment is applicable;

123 (D) A brief description of the assessed property broken down into real and personal
 124 property classifications;

125 (E) The fair market value of property of the taxpayer subject to taxation and the
 126 assessed value of the taxpayer's property subject to taxation after being reduced;

127 (F) The name, phone number, and contact information of the person in the assessors'
 128 office who is administratively responsible for the handling of the appeal and who the
 129 taxpayer may contact if the taxpayer has questions about the reasons for the assessment
 130 change or the appeals process;

131 (G) If available, the website address of the office of the county board of tax assessors;
 132 ~~and~~

133 (H) A statement that all documents and records used to determine the current value are
 134 available upon request; and

135 (I) The current year's estimated roll-back rate.

136 (2)(A) In addition to the items required under paragraph (1) of this subsection, the notice
 137 shall contain a statement of the taxpayer's right to an appeal ~~and an estimate of the~~
 138 ~~current year's taxes for all levying authorities~~ which shall be in substantially the
 139 following form:

140 'The amount of your ad valorem tax bill for this year will be based on the appraised and
 141 assessed values specified in this notice. You have the right to appeal these values to the
 142 county board of tax assessors. At the time of filing your appeal you must select one of the
 143 following options:

144 ~~(i)(A)~~ An appeal to the county board of equalization with appeal to the superior court;
 145 ~~(ii)(B)~~ To arbitration without an appeal to the superior court; or
 146 ~~(iii)(C)~~ For a parcel of nonhomestead property with a fair market value in excess of
 147 \$500,000.00 as shown on the taxpayer's annual notice of current assessment under this
 148 Code section, or for one or more account numbers of wireless property as defined in
 149 subparagraph (e.1)(1)(B) of Code Section 48-5-311 with an aggregate fair market value
 150 in excess of \$500,000.00 as shown on the taxpayer's annual notice of current
 151 assessment under this Code section, to a hearing officer with appeal to the superior
 152 court.

153 If you wish to file an appeal, you must do so in writing no later than 45 days after the date
 154 of this notice. If you do not file an appeal by this date, your right to file an appeal will be
 155 lost. For further information on the proper method for filing an appeal, you may contact
 156 the county board of tax assessors which is located at: (insert address) and which may be
 157 contacted by telephone at: (insert telephone number).'

158 ~~(B) The notice shall also contain the following statements in bold print:~~

159 ~~'The estimate of your ad valorem tax bill for the current year is based on the previous~~
 160 ~~or most applicable year's millage rate and the fair market value contained in this~~
 161 ~~notice. The actual tax bill you receive may be more or less than this estimate. This~~
 162 ~~estimate may not include all eligible exemptions.'~~

163 **SECTION 1-7.**

164 Said title is further amended in Code Section 48-5-311, relating to creation of county boards
 165 of equalization, duties, review of assessments, and appeals, by revising paragraph (2) of
 166 subsection (g) as follows:

167 "(2) An appeal by the taxpayer as provided in paragraph (1) of this subsection shall be
 168 effected by emailing, if the county board of tax assessors has adopted a written policy
 169 consenting to electronic service, or by mailing to or filing with the county board of tax

170 assessors a written petition for review. An appeal by the county board of tax assessors
171 shall be effected by giving a petition for review to the taxpayer. The petition for review
172 given to the taxpayer shall be dated and shall contain the name and the last known
173 address of the taxpayer. The petition for review shall specifically state the grounds for
174 appeal. The petition for review shall be mailed or filed within 30 days from the date on
175 which the decision of the county board of equalization, hearing officer, or arbitrator is
176 delivered pursuant to subparagraph (e)(6)(D), paragraph (7) of subsection (e.1), or
177 division (f)(3)(C)(ix) of this Code section. Within 45 days of receipt of a taxpayer's
178 petition for review and before the petition for review is filed in superior court, the county
179 board of tax assessors shall send to the taxpayer notice that a settlement conference, in
180 which the county board of tax assessors and the taxpayer shall confer in good faith, will
181 be held at a specified date and time which shall be no later than 30 days from the notice
182 of the settlement conference, and notice of the amount of the filing fee for a petition for
183 review, if any, required by the clerk of the superior court. A taxpayer may appear for the
184 settlement conference in person, by his or her authorized agent or representative, or both.
185 The county board of tax assessors, in their discretion and with the consent of the
186 taxpayer, may alternatively conduct the settlement conference by audio or video
187 teleconference or any other remote communication medium. The taxpayer may exercise
188 a one-time option to reschedule the settlement conference to a different date and time
189 acceptable to the taxpayer during normal business hours. After a settlement conference
190 has convened, the parties may agree to continue the settlement conference to a later date.
191 If at the end of the 45 day review period the county board of tax assessors elects not to
192 hold a settlement conference, then the appeal shall terminate and the taxpayer's stated
193 value shall be entered in the records of the board of tax assessors as the fair market value
194 for the year under appeal and the provisions of subsection (c) of Code Section 48-5-299
195 shall apply to such value. ~~If the taxpayer chooses not to participate in the settlement~~
196 ~~conference, he or she may not seek and shall not be awarded fees and costs at such time~~

197 ~~when the petition for review is reviewed in superior court. If neither the taxpayer nor his~~
198 ~~or her authorized agent or representative attends a properly scheduled settlement~~
199 ~~conference or fails to confer with the board of tax assessors in good faith on the matter,~~
200 ~~then such taxpayer shall not receive the benefits of any temporary reduction in the~~
201 ~~amount of taxes due pending the outcome of the appeal and shall not be awarded~~
202 ~~attorney's fees or costs of litigation in connection with the appeal to the superior court.~~
203 If at the conclusion of the settlement conference the parties reach an agreement, the
204 settlement value shall be entered in the records of the county board of tax assessors as the
205 fair market value for the tax year under appeal and the provisions of subsection (c) of
206 Code Section 48-5-299 shall apply to such value. If at the conclusion of the settlement
207 conference the parties cannot reach an agreement, then written notice shall be provided
208 to the taxpayer that the filing fees for the superior court must be paid by the taxpayer by
209 submitting to the county board of tax assessors a check, money order, or any other
210 instrument payable to the clerk of the superior court within 20 days of the date of the
211 conference. Notwithstanding any other provision of law to the contrary, the amount of
212 the filing fee for an appeal under this subsection shall be \$25.00. An appeal under this
213 subsection shall not be subject to any other fees or additional costs otherwise required
214 under any provision of Title 15 or under any other provision of law. Within 30 days of
215 receipt of the taxpayer's payment made out to the clerk of the superior court, or, in the
216 case of a petition for review filed by the county board of tax assessors, within 30 days of
217 giving notice of the petition for review to the taxpayer, the county board of tax assessors
218 shall file with the clerk of the superior court the petition for review and any other papers
219 specified by the person appealing, including, but not limited to, the staff information from
220 the file used by the county board of tax assessors, the county board of equalization, the
221 hearing officer, or the arbitrator. Immediately following payment of such \$25.00 filing
222 fee to the clerk of the superior court, the clerk shall remit the proceeds thereof to the
223 governing authority of the county which shall deposit the proceeds into the general fund

224 of the county. All papers and information filed with the clerk shall become a part of the
 225 record on appeal to the superior court. At the time of the filing of the petition for review,
 226 the county board of tax assessors shall serve the taxpayer and his or her attorney of
 227 record, if any, with a copy of the petition for review filed in the superior court and with
 228 the civil action file number assigned to the appeal. Such service shall be effected in
 229 accordance with subsection (b) of Code Section 9-11-5. No discovery, motions, or other
 230 pleadings may be filed by the county board of tax assessors in the appeal until such
 231 service has been made."

232 **PART II**
 233 **SECTION 2-1.**

234 Said title is further amended by adding a new Code section to read as follows:

235 "48-5-44.2.

236 (a) For purposes of this Code section, the term:

237 (1) 'Ad valorem taxes' means all ad valorem taxes levied by, for, or on behalf of the state
 238 or any county, consolidated government, municipality, or local school district in this
 239 state, except for any ad valorem taxes levied to pay interest on and to retire bonded
 240 indebtedness.

241 (2) 'Adjusted base year assessed value' means the sum of:

242 (A) The previous adjusted base year assessed value;

243 (B) An amount equal to the difference between the current year assessed value of the
 244 homestead and the base year assessed value of the homestead, provided that such
 245 amount shall not exceed the total of the previous adjusted base year assessed value of
 246 the homestead multiplied by the inflation rate for the prior year; and

247 (C) The value of any substantial property change, provided that no such value added
248 improvements to the homestead shall be duplicated as to the same addition or
249 improvement.

250 (3) 'Base year assessed value' means:

251 (A) With respect to an exemption under this Code section which is first granted to a
252 person on such person's homestead for the 2025 taxable year, the assessed value for
253 taxable year 2024, including any final determination of value on appeal pursuant to
254 Code Section 48-5-311, of the homestead; or

255 (B) In all other cases, the assessed value, including any final determination of value on
256 appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year
257 immediately preceding the taxable year in which the exemption under this Code section
258 is first granted to the applicant.

259 (4) 'Homestead' means homestead as defined and qualified in Code Section 48-5-40.

260 (5) 'Inflation rate' means the annual inflationary index rate as determined for a given year
261 by the commissioner in accordance with subsection (g) of this Code section.

262 (6) 'Previous adjusted base year assessed value' means:

263 (A) With respect to the year for which the exemption under this Code section is first
264 granted to a person on such person's homestead, the base year assessed value; or

265 (B) In all other cases, the adjusted base year assessed value of the homestead as
266 calculated in the taxable year immediately preceding the current year, including any
267 final determination of value on appeal pursuant to Code Section 48-5-311.

268 (7) 'Substantial property change' means any increase or decrease in the assessed value
269 of a homestead derived from additions or improvements to, or the removal of real
270 property from, the homestead which occurred after the year in which the base year
271 assessed value is determined for the homestead. The assessed value of the substantial
272 property changes shall be established following any final determination of value on
273 appeal pursuant to Code Section 48-5-311.

274 (b)(1) Subject to the limitations provided in this Code section, each resident of this state
275 is granted an exemption on that person's homestead from ad valorem taxes in an amount
276 equal to the amount by which the current year assessed value of that homestead,
277 including any final determination of value on appeal pursuant to Code Section 48-5-311,
278 exceeds its previous adjusted base year assessed value.

279 (2) Except as provided for in subsection (c) of this Code section, no exemption provided
280 for in this subsection shall transfer to any subsequent owner of the property, and the
281 assessed value of the property shall be as provided by law.

282 (c) The surviving spouse of the person who has been granted the exemption provided for
283 in subsection (b) of this Code section shall continue to receive the exemption provided
284 under subsection (b) of this Code section, so long as such surviving spouse continues to
285 occupy the residence as a homestead.

286 (d) No person shall receive the exemption granted by subsection (b) of this Code section
287 unless such person or person's agent files an application with the tax receiver or tax
288 commissioner of his or her respective local government or governments charged with the
289 duty of receiving returns of property for taxation giving such information relative to
290 receiving such exemption as will enable such tax receiver or tax commissioner to
291 make a determination regarding the initial and continuing eligibility of such person for
292 such exemption; provided, however, that any person who had previously applied for
293 a homestead exemption, was allowed such homestead exemption for the 2024 tax year, and
294 remains eligible for a homestead exemption for that same homestead property in the 2025
295 tax year shall be automatically allowed the exemption granted under subsection (b) of this
296 Code section for that homestead without further application. Such tax receiver or tax
297 commissioner shall provide application forms for this purpose.

298 (e) The exemption granted by subsection (b) of this Code section shall be claimed and
299 returned as provided in Code Section 48-5-50.1. Such exemption shall be automatically
300 renewed from year to year so long as the owner occupies the residence as a homestead.

301 After a person or a person's agent has filed the proper application or is automatically
302 granted the homestead exemption as provided in subsection (d) of this Code section, it shall
303 not be necessary to make application thereafter for any year, and the exemption shall
304 continue to be allowed to such person. It shall be the duty of any person granted the
305 homestead exemption under subsection (b) of this Code section to notify the tax receiver
306 or tax commissioner of the local government or governments in the event such person for
307 any reason becomes ineligible for such exemption.

308 (f)(1) Except as otherwise provided in paragraph (2) of this subsection, the homestead
309 exemption granted by subsection (b) of this Code section shall be in addition to and not
310 in lieu of any other homestead exemption applicable to ad valorem taxes.

311 (2) The homestead exemption granted by subsection (b) of this Code section shall not
312 be applied in addition to any other base year value homestead exemption provided by law
313 with respect to the given taxing jurisdiction to which the such law applies. In any such
314 event, the tax receiver or tax commissioner of the taxpayer's respective local government
315 or governments charged with the duty of receiving returns of property for taxation shall
316 apply only the base year value homestead exemption that is larger or more beneficial for
317 the taxpayer with respect to the particular taxing jurisdictions to which more than one
318 base year value homestead exemption applies.

319 (g) For the purposes of this Code section, the commissioner shall promulgate a
320 standardized method for determining annual inflationary index rates which reflect the
321 effects of inflation and deflation on the cost of living for residents of this state for a given
322 calendar year. Such method may utilize the Consumer Price Index as reported by the
323 Bureau of Labor Statistics of the United States Department of Labor or any other similar
324 index established by the federal government if the commissioner determines that such
325 federal index fairly reflects the effects of inflation and deflation on residents of this state.

326 (h) The exemption granted by subsection (b) of this Code section shall apply to all taxable
327 years beginning on or after January 1, 2025, provided that:

328 (1) A constitutional amendment is ratified and becomes effective on January 1, 2025,
 329 which authorizes the General Assembly to provide by general law for a homestead
 330 exemption that shall not be applicable to certain political subdivisions, which elect to opt
 331 out of the homestead exemption by a date certain; and

332 (2) The exemption granted by subsection (b) of this Code section shall not be
 333 applicable for any county, consolidated government, municipality, or school district for
 334 which the governing authority of such political subdivision adopts an opt-out
 335 resolution in accordance with subsection (i) of this Code section.

336 (i) The governing authority of any county, consolidated government, municipality, or
 337 school district may elect to opt out of the homestead exemption otherwise granted by
 338 subsection (b) of this Code section with respect to such political subdivision through the
 339 adoption of a resolution to do the same by March 1, 2025, after completing the
 340 following steps:

341 (1) The governing authority shall advertise its intent to do so and shall conduct at least
 342 three public hearings thereon, at least one of which shall commence between the hours
 343 of 6:00 P.M. and 7:00 P.M., inclusive, on a business weekday. The governing authority
 344 shall place an advertisement in a newspaper of general circulation serving the residents
 345 of the political subdivision and post such advertisement on its website, which shall read
 346 as follows:

347 'INTENT TO OPT OUT OF HOMESTEAD EXEMPTION

348 The (name of governing authority) intends to opt out of the statewide adjusted base year
 349 ad valorem homestead exemption for (name of the political subdivision).

350 All concerned citizens are invited to the public hearing on this matter to be held at
 351 (place of meeting) on (date and time).

352 Times and places of additional public hearings on this matter are at (place of
 353 meeting) on (date and time).'

354 Simultaneously with this notice the governing authority shall provide a press release to the
 355 local media.

356 (2) The advertisement required by paragraph (1) of this subsection shall appear at least
 357 one week prior to each hearing, be prominently displayed, be not less than 30 square
 358 inches, and not be placed in that section of the newspaper where legal notices appear and
 359 shall be posted on the appropriate website at least one week prior to each hearing. In
 360 addition to the advertisement specified under this paragraph, the levying or
 361 recommending authority may include in the notice reasons or explanations for its
 362 intention to opt out of the homestead exemption.

363 (3) No resolution to opt out of the homestead exemption shall become effective with
 364 respect to a political subdivision unless the procedures and hearings required by this
 365 subsection are completed and a copy of such resolution is filed with the Secretary of State
 366 by March 1, 2025."

367 **PART III**

368 **SECTION 3-1.**

369 Said title is further amended in Code Section 48-8-6, relating to prohibition of political
 370 subdivisions from imposing various taxes, ceiling on local sales and use taxes, and taxation
 371 of mobile telecommunications, by revising subsection (a) as follows:

372 "48-8-6.

373 ~~(a) There shall not be imposed in any jurisdiction in this state or on any transaction in this~~
 374 ~~state local sales taxes, local use taxes, or local sales and use taxes in excess of 2 percent.~~
 375 ~~For purposes of this prohibition, the taxes affected are any sales tax, use tax, or sales and~~
 376 ~~use tax which is levied in an area consisting of less than the entire state, however~~
 377 ~~authorized, including such taxes authorized by or pursuant to constitutional amendment,~~

378 ~~except that the following taxes shall not count toward or be subject to such 2 percent~~
379 ~~limitation:~~

380 ~~(1) A sales and use tax for educational purposes exempted from such limitation under~~
381 ~~Article VIII, Section VI, Paragraph IV of the Constitution;~~

382 ~~(2) Any tax levied for purposes of a metropolitan area system of public transportation,~~
383 ~~as authorized by the amendment to the Constitution set out at Georgia Laws, 1964, page~~
384 ~~1008; the continuation of such amendment under Article XI, Section I, Paragraph IV(d)~~
385 ~~of the Constitution; and the laws enacted pursuant to such constitutional amendment;~~
386 ~~provided, however, that the exception provided for under this paragraph shall only apply:~~

387 ~~(A) In a county in which a tax is being imposed under subparagraph (a)(1)(D) of Code~~
388 ~~Section 48-8-111 in whole or in part for the purpose or purposes of a water capital~~
389 ~~outlay project or projects, a sewer capital outlay project or projects, a water and sewer~~
390 ~~capital outlay project or projects, water and sewer projects and costs as defined under~~
391 ~~paragraph (4) of Code Section 48-8-200, or any combination thereof and with respect~~
392 ~~to which the county has entered into an intergovernmental contract with a municipality,~~
393 ~~in which the average waste-water system flow of such municipality is not less than 85~~
394 ~~million gallons per day, allocating proceeds to such municipality to be used solely for~~
395 ~~water and sewer projects and costs as defined under paragraph (4) of Code Section~~
396 ~~48-8-200. The exception provided for under this subparagraph shall apply only during~~
397 ~~the period the tax under such subparagraph (a)(1)(D) is in effect. The exception~~
398 ~~provided for under this subparagraph shall not apply in any county in which a tax is~~
399 ~~being imposed under Article 2A of this chapter;~~

400 ~~(B) In a county in which the tax levied for purposes of a metropolitan area system of~~
401 ~~public transportation is first levied after January 1, 2010, and before January 1, 2021.~~
402 ~~Such tax shall not apply to the following:~~

403 ~~(i) The sale or use of jet fuel; and~~

404 ~~(ii) The sale of motor vehicles; or~~

405 ~~(C) In a county in which a tax is levied and collected pursuant to Part 2 of Article 2A~~
406 ~~of this chapter;~~

407 ~~(3) In the event of a rate increase imposed pursuant to Code Section 48-8-96, only the~~
408 ~~amount in excess of the initial 1 percent sales and use tax and in the event of a newly~~
409 ~~imposed tax pursuant to Code Section 48-8-96, only the amount in excess of a 1 percent~~
410 ~~sales and use tax;~~

411 ~~(4) A sales and use tax levied under Article 4 of this chapter;~~

412 ~~(5) Either a sales and use tax levied under Article 5 of this chapter or a sales and use tax~~
413 ~~levied under Article 5B of this chapter;~~

414 ~~(6) A sales and use tax levied under Article 5A of this chapter;~~

415 ~~(7) A sales and use tax levied under Article 2 of Chapter 9 of Title 32; and~~

416 ~~(8) A sales and use tax levied under Part 3 of Article 3 of this chapter.~~

417 ~~If the imposition of any otherwise authorized local sales tax, local use tax, or local sales~~
418 ~~and use tax would result in a tax rate in excess of that authorized by this subsection, then~~
419 ~~such otherwise authorized tax may not be imposed.~~

420 (a)(1) Except as provided in this subsection, on and after July 1, 2024, there shall not be
421 imposed in any jurisdiction in this state or on any transaction in this state local sales
422 taxes, local use taxes, or local sales and use taxes in excess of 2 percent. For purposes
423 of this 2 percent limitation, the taxes affected are any sales tax, use tax, or sales and use
424 tax which is levied in an area consisting of less than the entire state, however authorized,
425 including such taxes authorized by or pursuant to constitutional amendment, and
426 regardless of whether another provision of law purports to the contrary, except for the
427 following:

428 (A) A 1 percent sales and use tax for educational purposes exempted from such
429 limitation under Article VIII, Section VI, Paragraph IV of the Constitution;

430 (B) Up to 1 percent in aggregate of any of the transportation related sales and use taxes
431 authorized under Articles 5, 5A, and 5B of this chapter and Article 2 of Chapter 9 of
432 Title 32; and

433 (C) Up to 1 percent in aggregate of any sales and use taxes authorized under Code
434 Section 48-8-96, Code Section 48-8-97, Article 2B of this chapter, Part 3 of Article 3
435 of this chapter, and Article 4 of this chapter.

436 (2) Notwithstanding any provision of law to the contrary, any tax that does not comply
437 with the limitations provided in paragraph (1) of this subsection as of July 1, 2025, but
438 was initiated in compliance with the law in effect prior to January 1, 2025, shall be
439 allowed to continue as authorized under laws that existed prior to July 1, 2025;
440 provided, however, that upon the expiration or termination of any such tax, such tax shall
441 not be renewed and the jurisdiction that levied such tax shall be fully subject to the
442 limitations imposed by this subsection.

443 (3) This subsection shall not limit the imposition of any local excise tax, which is
444 separately authorized under Chapter 13 of this title.

445 (4) Except as provided in paragraph (2) of this subsection, if the imposition of any
446 otherwise authorized local sales tax, local use tax, or local sales and use tax would result
447 in a tax rate in excess of that authorized by this subsection, then such otherwise
448 authorized tax shall not be imposed."

449 **SECTION 3-2.**

450 Said title is further amended in Chapter 8, relating to sales and use taxes, by adding a new
451 article to read as follows:

"Article 2B

453 48-8-109.30.

454 (a) Pursuant to the authority granted by Article IX, Section II, Paragraph VI of the
455 Constitution of this state, there are created within this state 159 special districts. The
456 geographical boundaries of each county shall correspond with and shall be conterminous
457 with the geographical boundaries of the 159 special districts.

458 (b) The territory of each special district shall include all of the territory within the county
459 including all municipalities, to the extent the municipal boundaries lie within the
460 geographical boundaries of the county and any consolidated government.

461 48-8-109.31.

462 (a) Subject to the requirement of approval by local referendum and the other requirements
463 of this article, to impose within any given special district a special sales and use tax for a
464 limited period of time for the limited purpose of property tax relief.

465 (b) Except as to rate, a tax imposed under this part shall correspond to the tax imposed by
466 Article 1 of this chapter. No item or transaction which is not subject to taxation under
467 Article 1 of this chapter shall be subject to a tax imposed under this article, except that a
468 tax imposed under this article shall apply to sales of motor fuels as prepaid local tax as
469 defined in Code Section 48-8-2 and shall be applicable to the sale of food and food
470 ingredients and alcoholic beverages as provided for in Code Section 48-8-3.

471 (c) The special sales and use tax provided for in subsection (a) of this Code section may
472 be imposed by a special district in 0.05 percent increments, but in no event shall such tax
473 exceed 1 percent in total. The levy of such tax upon sales of motor fuels as defined in Code
474 Section 48-9-2 shall only be imposed on the retail sales price of the motor fuel which is not
475 more than \$3.00 per gallon.

476 (d)(1) As a condition precedent to the issuance of the call for the referendum:

477 (A) The governing authority of the county whose geographical boundary is
478 conterminous with that of the special district and the governing authority or authorities
479 of all municipalities that levy an ad valorem tax on property, other than those
480 municipalities that are excluded from the special district pursuant to paragraph (3) of
481 this subsection, shall have in effect a base year value or adjusted base year value
482 homestead exemption; and

483 (B) The governing authority of the county whose geographical boundary is
484 conterminous with that of the special district and the governing authority or authorities,
485 if any, that represent at least 50 percent of the special district's residents of
486 municipalities that levy an ad valorem tax on property, other than those municipalities
487 that are excluded from the special district pursuant to paragraph (3) of this subsection,
488 shall enter into an intergovernmental agreement calling for the tax authorized under this
489 article and specifying the proposed rate of the tax, the proposed maximum period of
490 time that the tax is to be levied, and the proposed distribution of the tax.

491 (2) If the combined total of the populations of all such absent municipalities is less than
492 one-half of the aggregate population of all municipalities located within the special
493 district that levy an ad valorem tax on property, the political subdivisions entering into
494 the intergovernmental agreement shall, on behalf of such absent municipalities, specify
495 a percentage of that portion of the remaining proceeds which each municipality that
496 levies an ad valorem tax on property shall receive, which percentage shall not be less than
497 that proportion which each such absent municipality's population bears to the total
498 population of all municipalities that levy ad valorem taxes on property within the special
499 district multiplied by that portion of the remaining proceeds which are received by all
500 such municipalities within the special district. No portion of the tax shall be apportioned
501 to counties and municipalities that do not levy an ad valorem tax on property or do not
502 have a base year value or adjusted base year value homestead exemption in effect.

503 (3) Subject to the limitation provided for in Code Section 48-8-6, any special district
504 which wholly or partially contains a jurisdiction levying the tax provided for under
505 Article 4 of this chapter is authorized to levy the tax authorized under this article. Such
506 tax authorized under this article may only be levied in the areas of the special district
507 outside of the jurisdiction levying the tax provided for under Article 4 of this chapter.
508 Any jurisdiction levying the tax provided for under Article 4 of this chapter shall not be
509 considered within the procedure necessary to levy the tax under this article and shall not
510 be entitled to any portion of said tax.

511 48-8-109.32.

512 (a) The intergovernmental agreement required by this article shall specify the maximum
513 period of time of the tax, to be stated in calendar years or calendar quarters not to exceed
514 five years in total.

515 (b) Each such intergovernmental agreement shall prescribe that the county election
516 superintendent shall issue the call for an election for the purpose of submitting the question
517 of the imposition of the tax authorized by this article to the voters of the county. The call
518 for and conduct of any such election shall be in the manner authorized under Code Section
519 21-2-540, on a date specified by the intergovernmental agreement from among the dates
520 allowed under paragraph (2) of subsection (c) of Code Section 21-2-540. Such election
521 superintendent shall cause the date and purpose of the election to be published once a
522 week for four weeks immediately preceding the date of the election in the legal organ of
523 the county or in a newspaper having general circulation in the county at least equal to that
524 of the legal organ.

525 (c) The exact ballot language shall be prescribed in the intergovernmental agreement
526 which imposes the tax authorized by this article, but shall contain, at a minimum, the
527 purpose of the tax, the rate of the tax, and the duration for which the tax shall be imposed.

528 (d) All persons desiring to vote in favor of imposing the tax shall vote 'Yes' and all persons
529 opposed to levying the tax shall vote 'No.' If more than one-half of the votes cast are in
530 favor of imposing the tax, then the tax shall be imposed as provided in this article;
531 otherwise, the tax shall not be imposed and the question of imposing the tax shall not again
532 be submitted to the voters of the special district until after 12 months immediately
533 following the month in which the election was held; provided, however, that, if an election
534 date authorized under paragraph (2) of subsection (c) of Code Section 21-2-540 occurs
535 during the twelfth month immediately following the month in which such election was
536 held, the question of imposing the tax may be submitted to the voters of the special district
537 on such date. The county election superintendent shall hold and conduct the election under
538 the same rules and regulations as govern special elections. Such election superintendent
539 shall canvass the returns, declare the result of the election, and certify the result to the
540 Secretary of State and to the commissioner. The expense of the election shall be paid from
541 county funds.

542 48-8-109.33.

543 (a)(1) If the imposition of the tax is approved by referendum, the tax shall be imposed
544 on the first day of the next succeeding calendar quarter which begins more than 50 days
545 after the date of the election at which the tax was approved by the voters.

546 (2) With respect to services that are regularly billed on a monthly basis, however, the
547 resolution or ordinance imposing the tax shall become effective and the tax shall apply
548 to the first regular billing period coinciding with or following the effective date specified
549 in paragraph (1) of this subsection. A certified copy of the ordinance or resolution
550 imposing the tax shall be forwarded to the commissioner to ensure it is received within
551 five business days after certification of the election results.

552 (b) The tax shall cease to be imposed on the final day of the maximum period of time
553 specified for the imposition of the tax.

554 (c) For any special district in which a tax authorized by this article is in effect may, while
555 such tax is in effect, the General Assembly may pass a local Act calling for a reimposition
556 of a tax as authorized by this article upon the termination of the tax then in effect, and a
557 referendum may be held for this purpose while the tax is in effect. Proceedings for such
558 reimposition shall be in the same manner as proceedings for the initial imposition of the
559 tax as provided for in Code Section 48-8-109.32. Such newly authorized tax shall not be
560 imposed until the expiration of the tax then in effect.

561 48-8-109.34.

562 A tax levied pursuant to this article shall be exclusively administered and collected by the
563 commissioner for the use and benefit of the special district imposing the tax. Such
564 administration and collection shall be accomplished in the same manner and subject to the
565 same applicable provisions, procedures, and penalties provided in Article 1 of this chapter
566 except that the sales and use tax provided in this article shall be applicable to sales of motor
567 fuels as prepaid local tax as defined in Code Section 48-8-2; provided, however, that all
568 moneys collected from each taxpayer by the commissioner shall be applied first to such
569 taxpayer's liability for taxes owed the state; and provided, further, that the commissioner
570 may rely upon a representation by or on behalf of the county government or the Secretary
571 of State that such a tax has been validly imposed, and the commissioner and the
572 commissioner's agents shall not be liable to any person for collecting any such tax which
573 was not validly imposed. Dealers shall be allowed a percentage of the amount of the tax
574 due and accounted for and shall be reimbursed in the form of a deduction in submitting,
575 reporting, and paying the amount due if such amount is not delinquent at the time of
576 payment. Such dealer deduction shall be at the rate and subject to the requirements
577 specified under subsections (b) through (f) of Code Section 48-8-50.

578 48-8-109.35.

579 Each sales and use tax return remitting sales and use taxes collected under this article shall
580 separately identify the location of each retail establishment at which any of the sales and
581 use taxes remitted were collected and shall specify the amount of sales and the amount of
582 taxes collected at each establishment for the period covered by the return to facilitate the
583 determination by the commissioner that all sales and use taxes imposed by this article are
584 collected and distributed according to situs of sale.

585 48-8-109.36.

586 The proceeds of the tax collected by the commissioner under this article shall be disbursed
587 as soon as practicable after collection as follows:

588 (1) One percent of the amount collected shall be paid into the general fund of the state
589 treasury to defray the costs of administration; and

590 (2) The remaining proceeds of the tax shall be distributed to the county whose boundary
591 is conterminous with the boundary of the special district to be distributed thereafter by
592 such county among the political subdivisions within the special district in accordance
593 with the distribution schedule, which shall be prescribed in the intergovernmental
594 agreement imposing the tax.

595 48-8-109.37.

596 Where a local sales or use tax has been paid with respect to tangible personal property by
597 the purchaser either in another local tax jurisdiction within the state or in a tax jurisdiction
598 outside the state, the tax may be credited against the tax authorized to be imposed by this
599 article upon the same property. If the amount of sales or use tax so paid is less than the
600 amount of the use tax due under this article, the purchaser shall pay an amount equal to the
601 difference between the amount paid in the other tax jurisdiction and the amount due under
602 this article. The commissioner may require such proof of payment in another local tax

603 jurisdiction as the commissioner deems necessary and proper. No credit shall be granted,
604 however, against the tax imposed under this article for tax paid in another jurisdiction if the
605 tax paid in such other jurisdiction is used to obtain a credit against any other local sales and
606 use tax levied in the special district or any political subdivision within the special district;
607 and taxes so paid in another jurisdiction shall be credited first against the tax levied under
608 Article 2 of this chapter, if applicable, then against the tax levied under Part 1 of Article
609 3 of this chapter, if applicable, then against the tax levied under Part 2 of Article 3 of this
610 chapter, if applicable, and then against the tax levied under this article.

611 48-8-109.38.

612 No tax provided for in this article shall be imposed upon the sale of tangible personal
613 property which is ordered by and delivered to the purchaser at a point outside the
614 geographical area of the special district in which the tax is imposed regardless of the point
615 at which title passes, if the delivery is made by the seller's vehicle, and including United
616 States mail or common carrier or by a private or contract carrier licensed by the Federal
617 Motor Carrier Safety Administration or the Georgia Department of Public Safety.

618 48-8-109.39.

619 No tax provided for in this article shall be imposed upon the sale or use of building and
620 construction materials when the contract for which the materials are purchased or used was
621 advertised for bid prior to the voters' approval of the levy of the tax and the contract was
622 entered into as a result of a bid actually submitted in response to the advertisement prior
623 to approval of the levy of the tax.

624 48-8-109.40.

625 The commissioner shall have the power and authority to promulgate such rules and
626 regulations as shall be necessary for the effective and efficient administration and
627 enforcement of the collection of the tax authorized by this article.

628 48-8-109.41.

629 The tax authorized by this article shall be in addition to any other local sales and use tax.
630 The imposition of any other local sales and use tax within a county, municipality, or special
631 district shall not affect the authority of a county, municipality, or special district to impose
632 the tax authorized by this article, and the imposition of the tax authorized by this article
633 shall not affect the imposition of any otherwise authorized local sales and use tax within
634 a county, municipality, or special district.

635 48-8-109.42.

636 (a) Any proceeds received by a political subdivision from the tax authorized by this article
637 shall be used by such political subdivision exclusively for tax relief and in conjunction with
638 all limitations provided in the intergovernmental agreement authorizing the tax for such
639 political subdivision.

640 (b)(1) Each taxpayer's ad valorem tax bill shall clearly state the dollar amount by which
641 the property tax has been reduced as a result of the imposition of the tax imposed under
642 this article.

643 (2) The roll-back rate for the political subdivision, which is calculated under Code
644 Section 48-5-32.1, shall be reduced annually by the millage equivalent of the net
645 proceeds of the tax authorized under this article, which proceeds were received by the
646 political subdivision during the prior taxable year.

647 (c) If any political subdivision is not in compliance with the use of the proceeds of a tax
648 levied under this article, the commissioner shall not certify the tax digest of such political
649 subdivision until it complies with this Code section."

650

PART IV

651

SECTION 4-1.

652 This Act shall become effective on January 1, 2025, and shall be applicable to taxable years
653 beginning on or after January 1, 2025; provided, however, that, if a constitutional amendment
654 which becomes effective on such date and which authorizes the General Assembly to provide
655 by general law for a homestead exemption that applies statewide, but that permits political
656 subdivisions to individually opt out of such homestead exemption, has not been ratified, then
657 this Act shall stand automatically repealed on such date.

658

SECTION 4-2.

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



HB 581

Property and Sales Tax Reform

April 11, 2024

Staff Contact: Dante Handel, Governmental Affairs Associate | dhandel@accg.org | 203-906-8762

Summary

This legislation changes several ad valorem tax provisions and creates a new local sales tax for property tax relief.

Ad valorem changes include:

- Implementing a floating homestead exemption for all taxing jurisdictions.
 - For homes first receiving this exemption in taxable year 2025, the base year assessed value will be the 2024 assessed value. For homes first receiving the exemption in later years, the base year assessed value will be the assessed value for the immediately preceding year. The base year value may increase each year by up to the inflationary rate determined by the State Revenue Commissioner, which may utilize the Consumer Price Index (CPI). This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. This is also true if a local floating homestead exemption is added in the future. Any governing authority may elect to opt out of the floating homestead exemption created by this bill by advertising and conducting three public hearings on their intent to opt out and later adopting a resolution. This process may not begin until the bill takes effect on January 1, 2025, and must be completed by March 1, 2025. A governing authority may not opt-out of the statewide floating homestead exemption after this deadline.
- Creating an 'estimated roll-back rate' which is certified to the tax commissioner by the county for county and county school tax purposes. It is calculated using an estimated millage rate minus the millage equivalent of the total net assessed value added by reassessments. The estimated roll-back rate is required to be included on the assessment notice. If the adopted millage rate exceeds the estimated roll-back rate, then a disclaimer is included on the tax bill stating the name of the governing authority that exceeded the estimated roll-back rate and that this will result in an increase of taxes owed.
- Removing the provision that the sale price is the maximum allowable fair market value in the next taxable year. This provision caused the Department of Audits and Accounts (DOAA) to change their sales ratio study methodology when it was originally passed, so this change will improve the sales ratio study and prevent penalties on local governments and their taxpayers. This legislation also allows the Board of Assessors to appeal the sales ratio study directly instead of requiring a local government to appeal for them.
- Requiring that the chief appraiser ensure that every parcel in the county be appraised at least every three years.

- Modifying the three-year lock statute for appeals so the taxpayer only receives the benefit of the lock if they receive a value reduction upon appeal. This will prevent frivolous appeals filed solely for the lock.
- Removing the confusing tax estimate from the assessment notice.
- Updating the settlement conference statute so that if neither the taxpayer nor their representative participates in good faith, then the taxpayer shall not receive the benefit of the temporary fifteen percent reduction in taxes owed and shall not be awarded attorney’s fees.

Sales tax changes include:

- Revising the existing two percent local sales tax cap; exemptions now include:
 - ESPLOST
 - Up to one percent of the transportation sales taxes, which include:
 - Regional TSPLOST
 - Single-County TSPLOST
 - Transit SPLOST
 - MARTA
 - One of the specialty pennies, including:
 - The new sales tax for property tax relief created by this bill
 - Columbus-Muscogee and Macon-Bibb OLOST
 - Augusta-Richmond Coliseum SPLOST
 - MOST for Atlanta and cities connected to its water system (East Point, College Park, Hapeville)
- A new local sales tax is created for the limited purpose of property tax relief. It may be levied in 0.05 percent increments up to one percent.
- To be eligible to levy the tax, both the county and all cities within the county that levy a property tax must have in effect a floating homestead exemption: either the one created by this bill or a local floating homestead exemption. The county and cities representing at least fifty percent of the municipal population of cities that levy a property tax must enter into an intergovernmental agreement (IGA) calling for the tax which shall specify the rate, amount of time the tax is to be levied (not to exceed five years), and the proposed distribution between the county and cities. If the total of the populations of all municipalities absent from the IGA is less than one half of the aggregate population of all cities in the county that levy a property tax, then the cities signing the IGA shall specify a portion of the proceeds from the tax that the absent municipalities will receive, which shall not be less than the proportion the absent municipality’s population bears to the total population of all cities within the county that levy a property tax. Cities levying a MOST are excluded from these calculations and from sharing in the proceeds of this tax.
- If the tax is approved at referendum, then the collection of the tax will begin at the start of the next calendar quarter beginning more than fifty days after that date, as opposed to eighty days for other local sales taxes. The tax may be renewed only by the passage of a local Act calling for the reimposition of the tax. The Georgia Department of Revenue (DOR) sends the money to the county and the county will be responsible for distributing the money to the cities in accordance with the IGA. The proceeds shall be used exclusively for tax relief. Each taxpayer’s property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax. The roll-back rate shall be

reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the prior taxable year. If any political subdivision is not in compliance with the use of the proceeds from this tax, then the State Revenue Commissioner shall not certify the tax digest of that political subdivision until it comes into compliance.

This Act becomes effective on January 1, 2025, if and only if the constitutional amendment authorized by House Resolution 1022 is ratified on the November 2024 ballot. It would be applicable to taxable years beginning on or after January 1, 2025.



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.

Disclaimer

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HB 581 Summary and Guidance

ACCG & GMA Joint Trainings
October 3rd, 2024

Ryan Bowersox
Assistant General Counsel, GMA

Dante Handel
Associate Director of Governmental Affairs, ACCG



Background: Where Did This Come From?



- Legislature entered 2024 session concerned about rising property value assessments and in turn property tax
- Senate leaders wanted measures to control rapid increases in property assessments
- House leaders looked to expand sales tax options
- Various proposals ultimately resulted in HB 581 (& HR 1022)

HB 581: Overview

Signed into law April 18, 2024 (Act 379).

Contingent upon November Statewide Referendum
(HR 1022)

Major Components:

- 1.Statewide Floating Homestead Exemption (Part 2)
- 2.New Local Option Sales Tax (Part 3)
- 3.Property Tax Procedural Changes (Part 1)



Presentation Outline

- When does this bill take effect?
- Who gets a floating homestead exemption?
- What is a floating homestead exemption?
- What is the procedure to opt out and what is the timeline?
- What is the new sales tax?
- Other sales tax revisions
- Other property tax changes
- Policy considerations for local governments
- Other local government considerations

When Does this Bill Take Effect?

- HB 581 is contingent upon the passage of the constitutional amendment from HR 1022 on November 5, 2024 which allows local governments the ability to opt out of the floating homestead exemption.
 - A simple majority is required for passage.
 - If the constitutional amendment fails, all of HB 581 is repealed.
 - If the constitutional amendment passes, then the bill takes effect January 1, 2025.

HB 581

Part 1: Statewide Floating Homestead Exemption

- If approved, HB 581 implements a statewide floating homestead exemption for all local governments:
 - Counties
 - Cities
 - School Boards
- A floating homestead is a special type of homestead exemption designed to offset or reduce increases in taxable value to the property.
 - It is also referred to as a base-year or value offset exemption.
 - Freezes are a type of floating homestead exemption, but do not have an annual inflationary adjustment.

How Does a Floating Homestead Exemption Work?

- It works by increasing the value of the exemption to offset inflation.
 - For example, if a property had a taxable value of \$100,000 and the taxable value increased the following year due to market changes to \$110,000, then the exemption ‘floats’ to be worth \$10,000 of taxable value so the taxpayer still pays on the original base year value of \$100,000.



How Does HB 581's Floating Homestead Exemption Work?

- The HB 581 floating homestead exemption is unique because the base year value is adjusted and will increase by a rate of inflation determined by the State Revenue Commissioner – likely CPI.
 - If we take the same property with a \$100,000 taxable base year value and CPI is 2% the following year, then the base value of \$100,000 may be increased by up to 2% to give an adjusted base year value of \$102,000. The exemption 'floats' to be worth \$8,000 of assessed value so the taxpayer would pay on a taxable value of \$102,000 in year 2.

How Does HB 581's Floating Homestead Exemption Work?

- For homes first receiving this exemption in taxable year 2025, the base year assessed value will be the 2024 assessed value.
- For homes first receiving the exemption in later years, the base year assessed value will be the assessed value for the immediately preceding year.
- Similar to other homestead exemptions, the value will be reset when the home is sold and is adjusted with “substantial property change.”
- Homeowners can not transfer exemption to new property.

How Does HB 581's Floating Homestead Exemption Work?



- 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 already granted a homestead will receive this exemption automatically.
- Non-homesteaded property (i.e. Commercial) will continue to be valued at fair market.

How Does this New Homestead Exemption Impact Existing Homestead Exemptions?

- This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions. This will not repeal/replace existing homestead exemptions!
 - If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial. This is also true if a local floating homestead exemption is added in the future.
 - Existing local exemptions, such as the \$2,000 of assessed value, are added after the floating homestead exemption is calculated.

How Can a Local Government “Opt Out” of the Homestead Exemption?

- Any governing authority may elect to opt out of the floating homestead exemption created by HB 581 by following a procedure like the “public notification of tax increase” when a full rollback is not taken.
 - The local government must advertise and conduct three public hearings of intent to opt out and later adopt a resolution.
 - Must file resolution to Secretary of State by March 1, 2025!
 - If procedures are not met, opt out is not effective.

How Can a Local Government “Opt Out” of the Homestead Exemption?

- This process may not begin until the bill takes effect on January 1, 2025, and must be completed by March 1, 2025.
- A governing authority may not opt-out of the statewide floating homestead exemption after this deadline.
- However, the local delegation may pass a local Act of the General Assembly to implement a local floating homestead exemption at any time.



How Can a Local Government “Opt Out” of the Homestead Exemption?



- Important to note: The decision to opt out is independent among local governments.
- A county, the cities, and the school board may each decide whether to opt out.
- The decision of whether or not to opt out will not impact the other local government’s homestead exemption.
- This may result in homes having different taxable values.

Is the Decision to “Opt Out” or “Stay In” Permanent?

- **Yes**
- No action is needed by the local government to have the homestead exemption apply if it is approved in November.
 - Once the opt out period has passed, currently there is no future method to opt out.
- If a local government opts out, there is no future method to opt in to the HB 581 exemption.
 - Of course, a similar homestead exemption can still be done in traditional manner.

HB 581 Timeline

November 5, 2024: Statewide Question on Constitutional Amendment

January 1, 2025: HB 581 takes effect, if approved

March 1, 2025: Deadline for local governments to “opt out” of homestead exemption

HB 581

Part 2: Sales Tax Revisions and FLOST

- HB 581 makes two major changes to local sales tax:
- Revises the provisions of O.C.G.A. 48-8-6 which limits the percentage of local sales tax a jurisdiction may levy.
- Creates new local option sales tax contingent upon jurisdictions having a base year value homestead exemption.



Revised Local Sales Tax Limitation

- This legislation revises the existing two percent local sales tax cap; exemptions now include:
 - ESPLOST
 - Up to one percent of the transportation sales taxes, which include:
 - Regional TSPLOST
 - Single-County TSPLOST
 - Transit SPLOST
 - MARTA
 - One of the specialty pennies, including:
 - **The new sales tax for property tax relief created by HB 581**
 - Columbus-Muscogee and Macon-Bibb OLOST
 - Augusta-Richmond Coliseum SPLOST
 - MOST for Atlanta and cities connected to its water system (East Point, College Park, and Hapeville)

What is the New Sales Tax?

- A new sales tax is created for the limited purpose of property tax relief – it may be levied in 0.05 percent increments up to one percent.
- To be eligible to levy the tax, **both the county and all cities within the county that levy a property tax** must have in effect a floating homestead exemption: either the one created by this bill or a local floating homestead exemption.
 - It does not matter if the school boards opt out or not since they are ineligible to share in the proceeds of the tax without a separate constitutional amendment.

How is the New Sales Tax Implemented?

- The county and city/cities representing at least fifty percent of the municipal population of cities that levy a property tax must enter into an intergovernmental agreement (IGA) calling for the tax.
- The IGA shall specify the rate, duration (not to exceed five years), and the distribution between the county and cities. It will also set the ballot question.



How is the New Sales Tax Implemented?



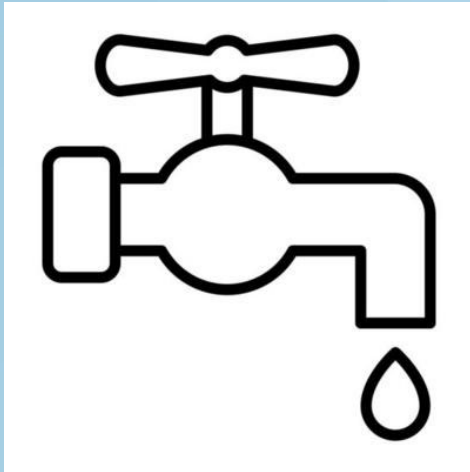
- Following the adoption of the IGA, the tax must be approved through local referendum.
- Approval by the voters will be required to levy the sales tax.
- This is a different vote than the one that occurs in November approving the constitutional amendment!

How are Cities Not on the IGA Treated?

- The IGA must also specify a portion of the proceeds that the cities not on the IGA will receive.
- Must not be less than the proportion the absent municipality's population bears to the total population of all cities within the county that levy a property tax.
 - Modelled after LOST absent municipality provisions.



How are MOST Cities Treated?



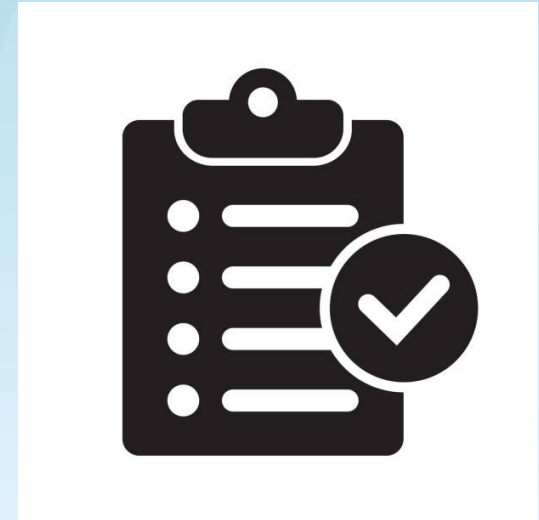
- Cities levying a MOST (Municipal Option Sales Tax for Water and Sewer Projects) are excluded.
- Will not be considered for eligibility and are not included in these calculations.
- Tax will not be collected within the city and city can not receive the proceeds of this tax.
- Currently Atlanta, East Point, College Park, & Hapeville.

How is the New Tax Collected and Distributed?

- Collection of the tax will begin at the start of the next calendar quarter beginning more than 50 days after that date (as opposed to eighty days for other local sales taxes).
- The Georgia Department of Revenue (DOR) sends the money to the county and the county will be responsible for distributing the money to the cities in accordance with the IGA.

How Can the Tax Be Renewed?

- The tax can run up to 5 years.
- Prior to the expiration, if the local governments want to renew, it requires:
 - Passage of a local Act calling for the reimposition of the tax.
 - A new IGA between the county and eligible number of cities.
 - A new referendum to approve the tax by the voters.
- Talk to your local delegation!

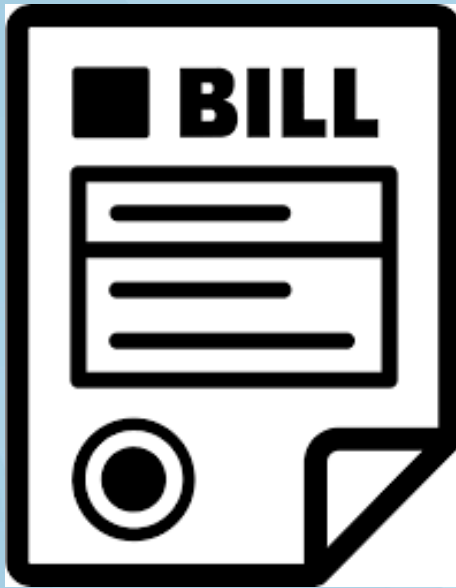


How are Funds From the New Sales Tax Used?

- Funds must be used exclusively for property tax relief.
- Each taxpayer's property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax.
- The roll-back rate shall be reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the prior taxable year.
- If any political subdivision is not in compliance with the use of the proceeds from this tax, then the State Revenue Commissioner shall not certify the tax digest of that political subdivision until it comes into compliance.

HB 581

Part 3: Procedural Property Tax Changes



- Created an “estimated roll-back rate” which is certified to the tax commissioner/collector by the local governments.
- The estimated roll-back rate is required to be included on the assessment notice, replacing the previous year’s millage rate.
 - Designed to attempt to allow local government to give more accurate estimate of what tax liability will be.

HB 581

Part 3: Procedural Property Tax Changes

- This gives local governments broad flexibility to set this rate wherever they deem appropriate.
 - This does not need to be the same millage rate as the rollback rate for taxpayer bill of rights.
- If the adopted millage rate exceeds the estimated roll-back rate, then a disclaimer is included on the tax bill stating the name of the governing authority that exceeded the estimated roll-back rate and that this will result in an increase of taxes owed.

HB 581

Part 3: Procedural Property Tax Changes

- Removed the provision that the sale price is the maximum allowable fair market value in the next taxable year.
 - This provision caused the Department of Audits and Accounts (DOAA) to change their sales ratio study methodology when it was originally passed in 2010, so this change will improve the sales ratio study and prevent penalties on local governments and their taxpayers.
- This legislation also allows the Board of Assessors to appeal the sales ratio study directly instead of requiring a local government to appeal on their behalf.

HB 581

Part 3: Procedural Property Tax Changes

- Modifying the three-year lock for appeals so the taxpayer only receives the lock if they receive a value reduction upon appeal.
- Updating the settlement conference statute so that if neither the taxpayer nor their representative participates in good faith, then the taxpayer shall not receive the benefit of the temporary 15 percent reduction in taxes owed and shall not be awarded attorney's fees.
- Requiring that the chief appraiser ensure that every parcel in the county be appraised at least every three years.

Policy Considerations for Local Governments

- As with any other local government choice, this is a policy decision with pros and cons to be considered.
- The floating homestead exemption rewards homeowners, especially those that reside in the community for a long period of time after this legislation takes effect.
- Taxes do not disappear – they only shift: in this instance, the taxes are shifting from homestead properties to all other property types (commercial, agricultural, industrial, residential non-homestead).

Policy Considerations for Local Governments

- Taxation is a formula: taxable value multiplied by the millage rate gives the property tax revenue to meet local budgets.
 - Since the floating homestead exemption slows the growth in value for residential homestead properties, it will create some upward pressure on the millage rate. The effects of a floating homestead increase over time, so this will have a smaller impact in the early years and a larger impact in the later years.
- Counties and cities may more easily increase the millage rate if needed than schools due to the 20-mill cap, which may only be exceeded after the successful passage of a local referendum.

Other Local Government Considerations

- Each local government (counties, cities, and schools) may independently decide whether to opt out.
- This decision does not impact the homestead exemptions but cities and counties can impact eligibility for the FLOST.
- Every local government has a unique digest mix of property types. Local officials are encouraged to contact their Chief Appraiser for information regarding their specific situation. Some communities will better be able to support a floating homestead exemption than others.

Other Local Government Considerations

- The referendum is likely to be very popular and citizens may not understand a local government's decision.
- Even if your local government decides to opt out of the HB 581 floating homestead exemption, nothing precludes your local delegation of the General Assembly from passing a local Act putting a local floating homestead to referendum in your jurisdiction.
- If a local government decides to opt out, it may be best practice to explain this decision to the public and the local delegation.

Other Local Government Considerations

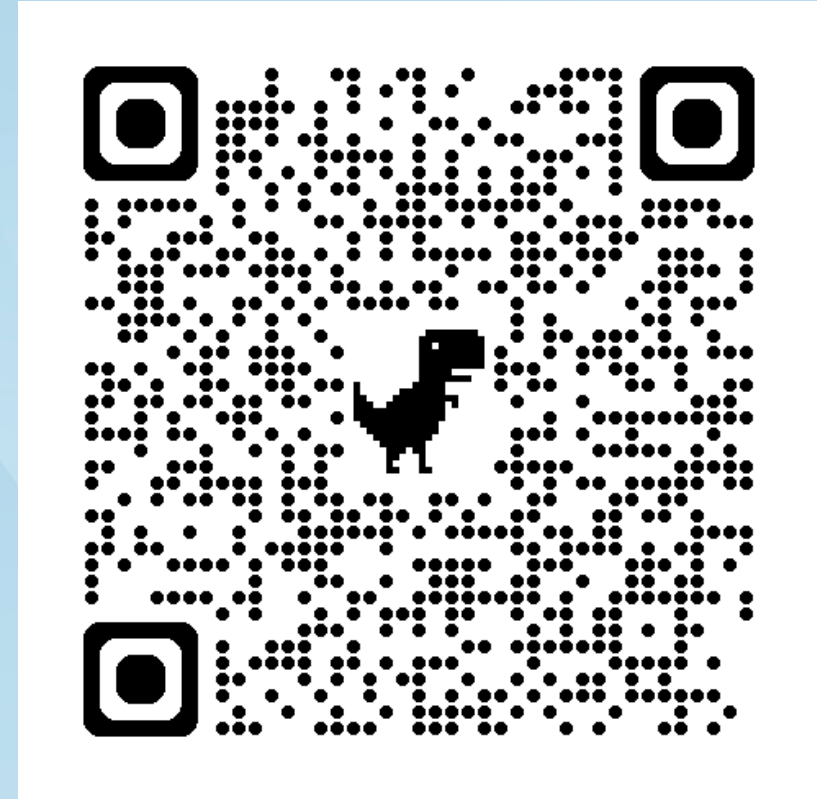
- Many jurisdictions have existing floating homestead exemptions. These typically apply only to M&O millage rates, but not to special service districts (SSDs).
 - The HB 581 floating homestead exemption applies to special service districts in addition to M&O but does not apply to bond millage.
 - If a local government that has a floating homestead exemption already in place does not opt out, then their special service districts will be affected by the new floating homestead exemption.
- A local government may consider opting out to avoid confusion.

Other Local Government Considerations

- While the decision to opt out of the floating homestead exemption is independent, instituting the new sales tax requires collaboration between the county and cities.
- The county and all cities in the county that levy a property tax must have a base year homestead exemption in place (statewide or through a local Act).
- The county and cities should discuss the option of the sales tax before expiration of the opt out period.
- Know the distribution is determined by the IGA, so this should be discussed early.
- A local Act is required for renewal, so involve your local delegation.

Next Steps....

- Joint ACCG-GMA Webinar Oct. 16th (live and recorded).
 - This will be the same presentation
- Joint Guidance Document/FAQ released today!
 - Document on GMA's Website
 - Link to ACCG HB 581 page:
 - [ACCG Advancing Georgia's Counties](#)



Contact Us

Ryan Bowersox
Assistant General Counsel, GMA
rbowersox@gacities.com

Dante Handel
Associate Director of Governmental Affairs, ACCG
Dhandel@accg.org

From the Georgia Pundit- Todd Rehm

January 7, 2025

Going: County BOEs opting out of HB 581 Homestead Exemption.

Central Georgia Boards of Education are considering whether to opt-out of the new homestead exemption created by House Bill 581, [according to 13WMAZ](#).

School districts in Central Georgia are scheduling public hearings beginning next week to opt out of House Bill 581, also known as the Save Our Homes Act.

62.9% of voters across the state said 'yes' to the homestead exemption question on the ballot in November. That exemption would put a cap on tax hikes on residential homes. However, the law approved by voters gives local governments a one-time chance to opt-out, and Bibb County School District and Houston County School Districts say they want to take it.

For homeowners, House Bill 581 promises tax relief while maintaining the market value of their property. But Bibb County Superintendent Dan Sims said opting into the bill would cost the school system a lot.

"I believe it's 50 years, like it is a long-term commitment, and the financial implications on the district are not good," Sims said.

"Specifically, we already did research, and going back to 2018 to show if we were to have opted in to this kind of bill from 2018 to the present, it would have cost us an upwards of \$3.7 million. That would have been less money towards our needs as a school district."

Houston County School District said they can't afford to opt in either because House Bill 581 will limit how much property

owners are taxed but not the share the state collects from their millage rate revenue.

They sent 13WMAZ a statement that reads: "School districts are unique in that the value of our local property tax assessments directly affects the amount of funding that we receive from the State of Georgia. HB581 results in a floating homestead exemption that will limit the value for property owners but will not limit the value of the 5 mill share withheld from school districts by the state. Because the state withholds the equivalent of 5 mills of assessed property values, HB581 could both reduce the amount of funding we are able to collect, while at the same time, increase the amount the state withholds from our state funding. If the value of a mill increases in Houston County, our school district will be required to contribute more to the state than we would be allowed to collect because of the HB581 cap."

The Houston School District said the financial consequences of opting into House Bill 581 could cause them to raise their millage rate in the future. They haven't done that in 16 years.

Bibb County's hearings will be at the Professional Learning Center on Riverside Drive on Jan. 14th at 6 p.m. Bibb's second and third hearings will be in the 484 Mulberry Street board room on Jan. 21 at 11 a.m. and 4 p.m.

Houston County's first public hearing will be at Langston Road Elementary School in Perry on Jan. 13th at 6:00 p.m. Houston's second and third public hearings will be at the Houston County School District building on Main Street in Perry on Jan. 14th at 1 p.m. and Jan. 22 at 2 p.m.

Dublin City Schools also intends to opt out. Their first public hearing will be held at the Dublin High School Auditorium located at 1127 Hillcrest Parkway on Jan. 14 at 6 p.m. The other two

hearings will be on Jan. 28 at 6 p.m. and Feb. 7 at 12 p.m., both in the DHS auditorium.

The Muscogee County Board of Education voted to opt out of HB 581, [according to WTVM](#).

From the Muscogee County Board of Education:

The Muscogee County Board of Education intends to opt out of the statewide adjusted base year ad valorem homestead exemption for the Muscogee County School District. All concerned citizens are invited to the public hearings on this matter to be held at Public Education Center, 2960 Macon Road, Columbus, GA 31906, on January 13, 2025 at 5:00 p.m. Times and places of additional public hearings on this matter are at Public Education Center 2960 Macon Road, Columbus, GA 31906 on January 21, 2025, at 6:00 p.m., and February 10, 2025, at 5:00 p.m.

No Change to the Current Frozen Assessment Homestead

Among the reasons that the Board intends to opt out of the statewide adjusted base year ad valorem homestead exemption is that the Muscogee County School District is already impacted by a county-wide freeze on the assessed fair market values of homestead property and affirms that with the opt-out all existing local homestead exemptions, including the local Frozen Assessment Homestead, will remain unchanged. The intent to opt out follows a thorough review of the potential long-term impact on local taxpayers, school district revenues, and retention of local control and provides flexibility for the future that is not afforded by the state exemption. Details on current exemptions can be found at <https://www.columbusga.gov/taxassessors/exemptions.htm>