

# Six Key Facts About HB 581 & Its Impact on JCS



1

## What is Georgia HB 581?

HB 581 introduces a statewide floating homestead exemption that limits annual property tax assessment increases to the inflation rate, as determined by the Georgia Department of Revenue. The *base year value is set at 2024 and resets when a home is sold or significantly altered or improved.*

2

## How Could HB 581 Affect Schools?

Property values are an essential funding source for public schools. By capping annual property value increases, HB 581 may change how revenue grows over time, potentially impacting the funding Jefferson City Schools relies on for teachers, classroom resources, student programs and facilities. Careful monitoring of long-term impacts will be critical to maintaining financial stability and a quality education for our students.

3

## Jefferson City Schools' Existing Homestead Exemption

Voters in Jefferson recently approved a *revised* local Senior Homestead Tax Exemption for homeowners 62 and older, which will be implemented in 2025. This change can potentially reduce or eliminate the school M&O tax for homeowners meeting age/income requirements. Jefferson City Schools will see the impact of this locally-approved decision in 2025.

4

## HB 581 Has Multiple Financial Impacts on School Systems

The state of Georgia funds school districts based on their enrollment but holds back five times their gross M&O tax digest value vs. net digest value as part of the required local participation. The net digest value is reduced for locally-approved exemptions (i.e., Homestead, Senior Homestead, Freeport). HB 581 will negatively impact the amount of state revenue school districts receive as the state will withhold revenue at the gross assessed value vs. adjusted. This will force Jefferson City Schools to do one of three things:

- Raise the millage rate.
- Use fund balance (if available).
- Cut staff/programs to make up for the loss in state revenue.

5

## Why This Legislation Has Long-Term Implications

Local governments have **only one** opportunity to opt out of HB 581. The existing JCS homestead exemption provides meaningful tax relief to homeowners on restrictive income, demonstrating our commitment to addressing community needs without relying on state-level interventions. By prioritizing annual financial assessments and preserving local decision-making, we can safeguard the financial stability of our school system.

6

## JCS: Balancing Student Success and Community Stewardship

Jefferson City Schools is committed to protecting resources for student success, high-quality instruction and well-maintained facilities. We are dedicated to balancing the needs of our schools with the best interests of our citizens, ensuring fair and sustainable tax policies that benefit the entire community.