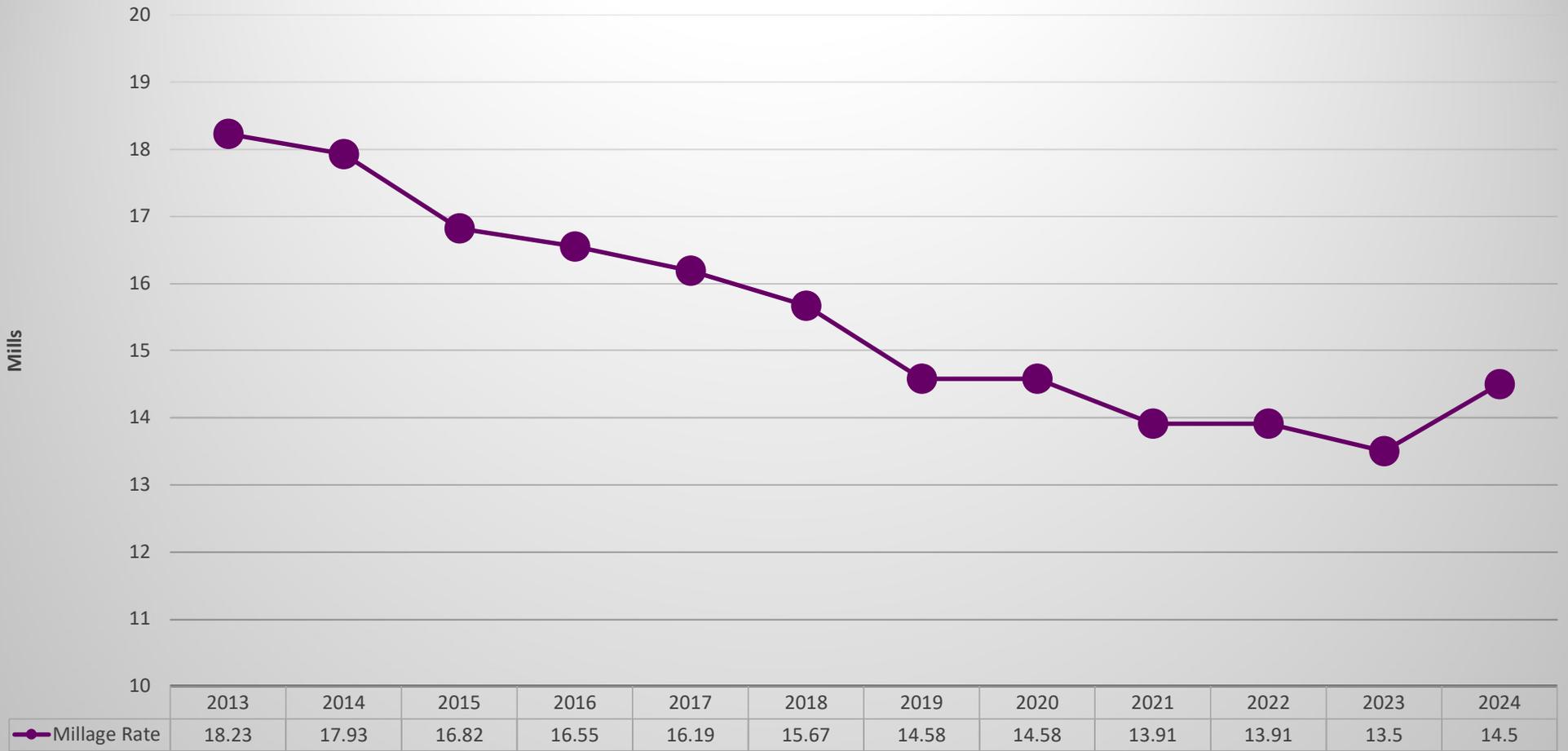


Georgia House
Bill 581



Commitment to Our Community

CCS - Millage Rate History



HB 581 Was Designed to:



Help limit erratic property tax changes by limiting home value increases to the rate of inflation.



Created a Floating Local Option Sales Tax (FLOST) to off-set property tax increases for local governments (***not for school districts***)



Provide greater detail on property tax bills by the tax assessor's office.

**CURRENT ASSESSED
VALUE OF HOME
\$100,000**



**CURRENTLY, TAXES ARE
CALCULATED USING THE
(HOME VALUE X'S MILLAGE RATE)
 $\$100,000 \times 0.0145 =$
\$1450
*(roughly \$121 a month)***

**REASSESSED
VALUE OF HOME
\$120,000**



**CURRENTLY, TAXES ARE
CALCULATED USING THE
(HOME VALUE X'S MILLAGE RATE)
 $\$120,000 \times 0.0145 =$
\$1740
*(roughly \$145 a month)***

**CURRENT ASSESSED
VALUE OF HOME
\$100,000**



**CURRENTLY, TAXES ARE
CALCULATED USING THE
(HOME VALUE X'S MILLAGE RATE)
 $\$100,000 \times 0.0145 =$
\$1450**

**REASSESSMENT
OF HOME**



HB 581 IMPACT

**INFLATION RATE OF
4%**

**INCREASE IN
TAXABLE
AMOUNT IS
LIMITED TO 4%
ALTHOUGH
VALUE HAS
GONE UP MORE**



**REASSESSED
VALUE OF HOME
\$104,000**



**NOW TAXES ARE
CALCULATED USING THE
(HOME VALUE X'S MILLAGE RATE)
 $\$104,000 \times 0.0145 =$
\$1508
*(ROUGHLY \$126 A MONTH)***



**BEFORE
HB 581**



**VALUE OF HOME
\$120,000**

X

**MILLAGE RATE
0.0145**

=

**SCHOOL TAX
\$1740**

**HB 581- 4%
ALTHOUGH
VALUE HAS GONE
UP MORE**



**VALUE OF HOME
\$104,000**

X

**MILLAGE RATE
0.0145**

=

**SCHOOL TAX
\$1508**

**SCHOOL
BOARDS
DO NOT
CONTROL**

**SCHOOL
BOARDS
CONTROL**



Unknown Factors

Inflation

- Varies
 - Every year, Across products
- Cap calculated using an inflationary basis determined by the Department of Revenue
- Adds another layer of difficulty when budgeting for the upcoming year

Long term implications for homeowners and school districts

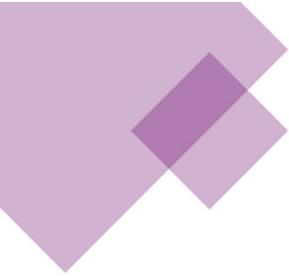
- Barriers to entry for homeowners, Property valuation
- One time opt out option – once we are in, we are in for the foreseeable future
- Ability to maintain current level of services provided to students
 - State hasn't changed their math, but math will change at the local level.

Known Factors

School funding sources are:

- State Funding (QBE)
 - Local Five Mills & Equalization
 - Amended formula adjustments
- Property Taxes
 - Only funding source that can be controlled at the local level
 - HB 581 limits this control
 - Limited geographical area
- Federal Funding for specific programs

If HB581 would have been in place from 2019 to 2024, CCS property tax revenue would have been decreased by a total of \$4,663,363.30.



Y = if D is > E

N = if D is < E

SYSTEM Cartersville City Schools

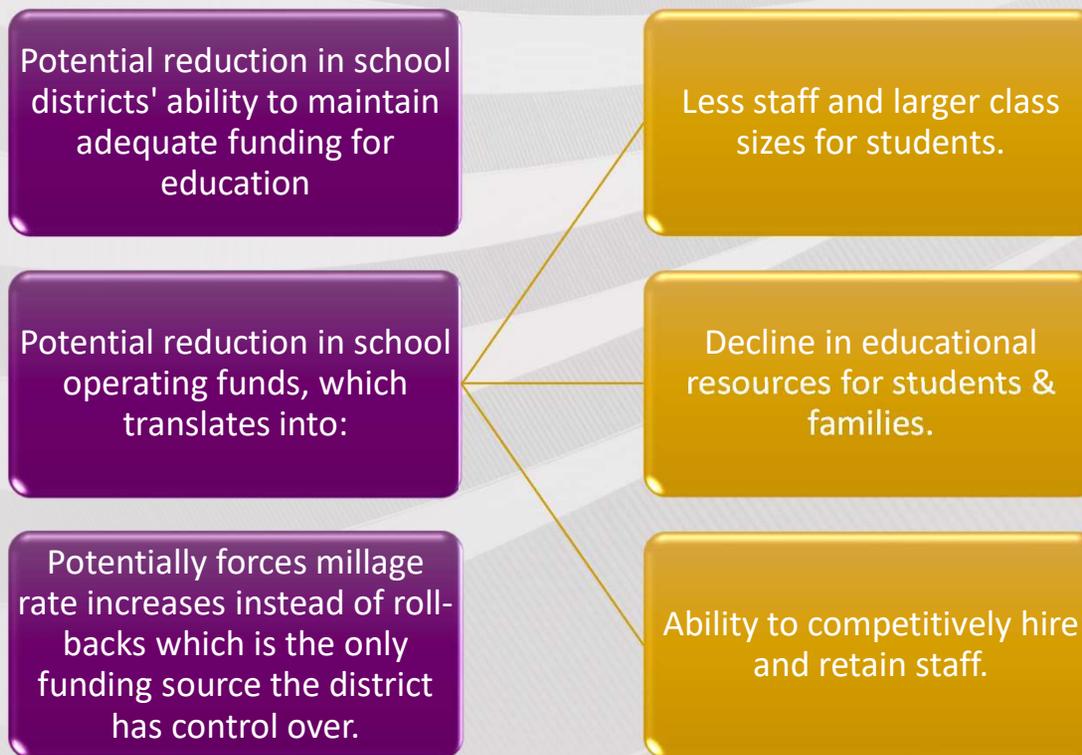
Tax Year	40% Value of Property with Homestead (per Bartow County Chief Appraiser)	Difference from Previous Year	% over previous Year	*CPI for Previous Year	Millage Rate	Current Revenue	Is % over previous year greater than State inflation	New Homestead Value	New Revenue After CAP	Difference by Year	Additional Loss in QBE Revenue	Total Potential Revenue Loss
2024	\$597,206,738	\$50,921,274	9.32%	4.10%	14.500	\$8,659,497.701	Y	\$568,683,168.00	\$8,245,905.94	(\$413,591.77)	(142,617.85)	(\$556,209.62)
2023	\$546,285,464	\$99,085,888	22.16%	8.00%	13.500	\$7,374,853.76	Y	\$482,975,542.00	\$6,520,169.82	(\$854,683.95)	(316,549.61)	(\$1,171,233.56)
2022	\$447,199,576	\$97,073,552	27.73%	4.70%	13.906	\$6,218,757.30	Y	\$366,581,947.00	\$5,097,688.55	(\$1,121,068.75)	(403,088.15)	(\$1,524,156.89)
2021	\$350,126,024	\$27,944,827	8.67%	1.20%	13.906	\$4,868,852.49	Y	\$326,047,371.00	\$4,534,014.74	(\$334,837.75)	(120,393.27)	(\$455,231.01)
2020	\$322,181,197	\$32,353,470	11.16%	1.80%	14.576	\$4,696,113.13	Y	\$295,044,626.00	\$4,300,570.47	(\$395,542.66)	(135,682.86)	(\$531,225.51)
2019	\$289,827,727	\$28,009,561	10.70%	2.40%	14.576	\$4,224,528.95	Y	\$268,101,802.00	\$3,907,851.87	(\$316,677.08)	(108,629.63)	(\$425,306.71)
2018	\$261,818,166											

Estimated Cumulative Loss: (\$3,436,401.95) (\$1,226,961.35) (\$4,663,363.30)

*Rates listed from <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2008/>



Impact on Education Funding & Students



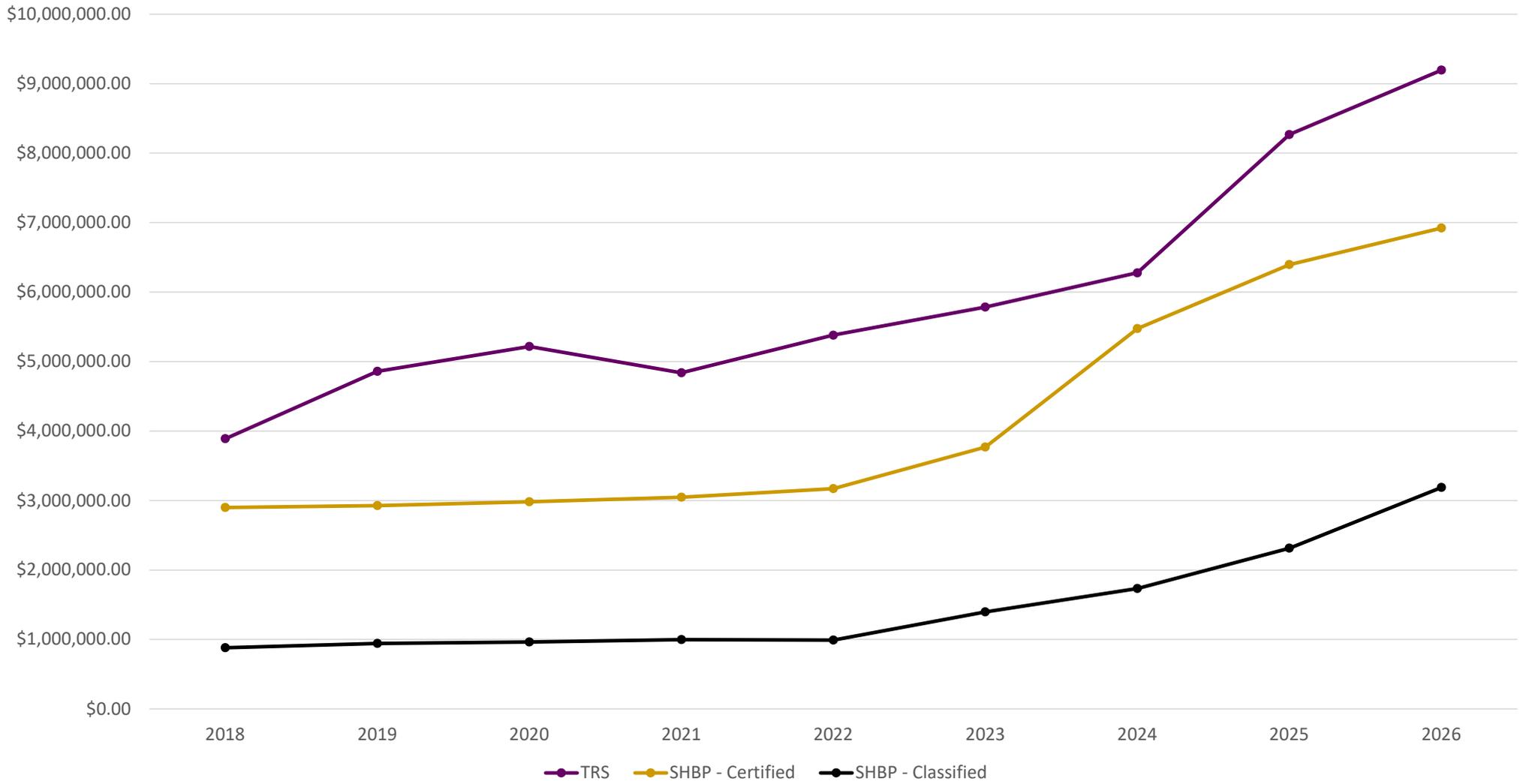
Primary considerations for opting out of HB 581

- **Stewardship of the Board:** Cartersville City Schools has a long history of being conservative when it comes to property taxes. For example, the millage rate has hovered around 14 mills for the past 5 years and has been consistently declining for the last 10 years from 18.23 mills in 2013 down to 13.5 in 2023. The millage rate was increased to 14.5 in 2024 to provide a significant increase to all employees. If we do not opt out of HB 581, we could have to increase the millage rate to recoupe the loss in revenue which is not the intention of the district. We want to keep the millage rate as low as possible.
- **Unknown Factors:** Districts will not have another opportunity to opt out unless legislative action is taken. The bill leaves districts with many questions and unknowns. Legislators have the ability to increase expense for school districts without providing additional funding. For example: over the past five years employer required retirement contributions have increased by 4% of total salaries for covered employees and employer healthcare costs have doubled in that same time period and continue to rise.
- **Teachers and Students:** CCS wants to continue its reputation of being a top performing district and an asset to our community. School districts are primarily funded by local revenues. In order to recruit and retain exceptional teachers, we have to stay competitive with salaries and benefits.
- **Raising Funds:** Unlike other city or county municipalities, School Districts are unable to generate revenue through other avenues like utility costs. School Districts are also unable to participate in a Floating Local Option Sales Tax. A constitutional amendment would need to be made in order to allow school districts to participate in FLOST.
- **Permanent: HB581 only allows for a one time opt out opportunity.**

Primary considerations for staying in HB 581

- **Property Tax Relief:** Would limit annual increases in the assessed value of homestead property to the rate of inflation.
- **Assessment Notices:** Changes to property tax assessment notices will provide homeowners with clearer information about their property taxes, including the current year's estimated roll-back rate. This can help homeowners better understand and anticipate their tax obligations.
- **Appeals Process:** Modifications to the property tax assessment and appeals process aim to make it more straightforward for homeowners to challenge their property tax assessments if they believe they are incorrect.
- **Local Option Sales Tax:** The introduction of a local option sales tax for property tax relief could lead to a shift in the tax burden from property taxes to sales taxes. This might benefit homeowners by reducing their property tax bills, although it could mean higher sales taxes on goods and services.

Legislatively Required Benefit Increases – Employer Required Contributions



WHEN IT COMES TO TAXES-
WHAT DO LOCAL SCHOOL BOARDS ACTUALLY CONTROL?



CCS - Millage Rate History

