

House Bill 581

January 14, 2025

FCS Governance Goals

- Safety for students & staff
- Alignment of strategies, initiatives and resources to the Learner Profile
- Effective & efficient financial planning
- Making large schools feel small

Current Financial Status

- Forsyth County Schools has been an excellent steward of resources, maintaining a 5-star financial efficiency rating and AAA Bond Ratings
- Current millage rate of 15.208 for M&O is lowest since 2009 and has been reduced the past two years
- Current debt millage rate lowered from 2.418 to 1.418 (FY23)
- Forsyth has a senior (65+) school property tax exemption
- Forsyth voters passed HB717 – a *local* homestead exemption that caps reassessment values at 4% annually

House Bill 717 Overview – Developed Locally

- FCS Board of Education worked closely with its legislative delegation to craft the bill
- Passed by Georgia General Assembly in 2024 and took effect January 1, 2025
- Applies specifically to Forsyth County Schools
- Floating homestead exemption designed to limit reassessed property value increases at no more than 4% annually
- No opt-out opportunity
- Expires in 2035

House Bill 581 Overview – Statewide Referendum

- Passed by Georgia General Assembly in 2024 and took effect January 1, 2025
- Caps annual increases of property values for real property reassessments
- Applies to counties, consolidated governments, municipalities, and local school districts
- Floating homestead exemption designed to limit homestead property tax bill increases if home values rise faster than inflation (as determined by the Georgia Department of Revenue)
- One time opt-out opportunity
- No expiration date

Estimated Impact of Caps

Spreadsheet describes the estimated impact on FCS if HB581 and HB717 were enacted in previous years

Tax Year	40% Value of Property with Homestead	Difference from Previous Year	% over previous Year	HB 581 *CPI for Previous Year	HB 717 *CPI for Previous Year	Millage Rate	HB581 Culminative Difference by Year	HB581 Difference by Year	HB 717 Culminative Difference by Year	HB717 Difference by Year
2024	\$22,282,971,776	\$1,569,254,595	7.58%	4.10%	4.00%	15.208	-\$75,257,932.39	-\$4,933,844.53	-\$76,430,310.46	-\$5,209,227.87
2023	\$20,713,717,181	\$4,015,842,895	24.05%	8.00%	4.00%	15.300	-\$70,324,087.86	-\$26,409,874.50	-\$71,221,082.59	-\$35,753,130.32
2022	\$16,697,874,286	\$2,935,504,770	21.33%	4.70%	4.00%	17.300	-\$43,914,213.36	-\$29,155,041.89	-\$35,467,952.27	-\$30,333,367.18
2021	\$13,762,369,516	\$631,207,401	4.81%	1.20%	4.00%	17.300	-\$14,759,171.47	-\$2,540,072.52	-\$5,134,585.10	\$0.00
2020	\$13,131,162,115	\$555,942,715	4.42%	1.80%	4.00%	17.300	-\$12,219,098.95	-\$301,572.43	-\$5,134,585.10	\$0.00
2019	\$12,575,219,400	\$998,836,993	8.63%	2.40%	4.00%	17.300	-\$11,917,526.52	-\$4,305,986.49	-\$5,134,585.10	-\$1,081,106.04
2018	\$11,576,382,407	\$1,038,563,539	9.86%	2.10%	4.00%	17.300	-\$7,611,540.03		-\$4,053,479.05	
	\$10,537,818,868									

HB581 Concerns

- HB581 is tied to consumer price index
 - Determined by the Department of Revenue
 - CPI assessment unclear
 - Not tied to local economic realities
- Creates uncertainty for the annual budget process
 - Fluctuating CPI
 - Potential challenges could delay tax collections
- Only one opt-out opportunity available
 - Must be completed between January 1 and March 1, 2025
- There is no expiration date
 - There is no opportunity to reevaluate the effects of the cap

HB581 Opt-Out Requirements

- Opt-Out Filing Deadline
 - Complete documents must be submitted by March 1, 2025
- Required Public Hearings
 - Three public hearings required
 - One hearing must be between 6:00 PM and 7:00 PM on a business day
- Advertisement Requirements
 - Must appear one week prior to each hearing
 - Prominently displayed and no less than 30 square inches
 - Not in the legal ads section
- Website Advertisement Language
- Press Release

Proposed HB581 Opt-Out Timeline

Date	Item
January 14, 2025	HB581 Overview to BOE
January 18, 2025	First Ad and Press Release Published
January 25, 2025	Second Ad Published
January 28, 2025	BOE Called Meeting 6 pm – Public Hearing #1
February 1, 2025	Third Ad Published
February 4, 2025	BOE Called Meeting 6 pm – Public Hearing #2
February 11, 2025	BOE Called Meeting 4 pm – Public Hearing #3 BOE Work Session 5 pm
February 18, 2025	BOE Regular Meeting 5 pm <i>Final decision on HB581 opt-out opportunity at Called Board Meeting</i>
By March 1, 2025	File with Secretary of State

INTENT TO OPT OUT OF HOMESTEAD EXEMPTION

The Forsyth County Board of Education intends to opt out of the statewide adjusted base year ad valorem homestead exemption for Forsyth County School District.

All concerned citizens are invited to the public hearing on this matter to be held at 1120 Dahlonega Highway, Cumming, GA 30040 on January 28, 2025, at 6:00 pm

Times and places of additional public hearings on this matter are at 1120 Dahlonega Highway, Cumming, GA 30040 on February 4, 2025, at 6:00 pm and February 11, 2025, at 4:00 pm.

Questions?