

Board of Commissioners Dougherty County, Georgia

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Dougherty County and the City of Albany

Floating Local Option Sales Tax (FLOST)



Key Points of HB 581:

Statewide Property Tax Limit: Places a cap on annual increases in a home's taxable value, ensuring it cannot grow faster than the prior year's inflation rate.

Local Sales Tax Option: Allows local governments to hold a referendum asking voters to approve a 1% sales tax for five (5) years.

Purpose of FLOST: Provides property tax relief for all property types – residential, commercial, and industrial.

How It Works: If voters approve, Dougherty County and the City of Albany will lower their property tax millage rates after the first year of FLOST collections, using the sales tax revenue to offset the reduction.

What is FLOST?

- **Cuts Property Taxes:** Lowers both County and City property tax rates by 30%.
- **One-Cent Sales Tax with Big Impact:** Funds are used to reduce the property tax millage rate that covers city and county operating expenses.
- **Keeps Services Running:** Supports essential functions like Public Safety, Courts, Road Maintenance, Parks, and other vital public services.
- **Paid Largely by Visitors:** About 30% of FLOST revenue in Dougherty County comes from visitors and travelers.
- **Strict Oversight:** An independent audit tracks all FLOST revenue and expenses. State regulations ensure the tax is collected only for the specific purpose of lowering Dougherty County and City of Albany property tax millage rates.
- **Time-Limited:** FLOST is temporary and must be renewed by voter approval every five years

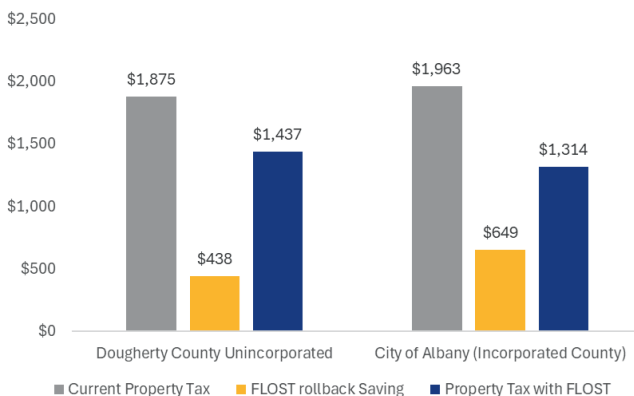
About House Bill 581

Passed by the Georgia General Assembly in 2024 and signed into law by Governor Kemp on April 18, 2024, HB 581 brings major changes to local government revenue.

The law has three key components:

- **Property Tax Process Updates:** Adjusts procedures for property tax assessments and appeals.
- **Statewide Homestead Exemption:** Limits taxable value increases for homeowners.
- **New Sales Tax Option for Property Tax Relief:** Allows local governments to implement a sales tax dedicated to lowering property taxes, referred to as FLOST

Example: Property Tax Savings on a \$150,000 FMV Home



Homestead Exemption

What is the HB 581 Homestead Exemption?

This helps shield homeowners from sudden increases in property taxes by capping annual growth in a home's assessed value to the previous year's inflation rate, as measured by the Consumer Price Index (CPI). This exemption applies to homestead properties in Dougherty County and the City of Albany. The "base-year" value is set the year before the exemption begins and is only adjusted each year to match inflation, providing steady, predictable property tax assessments.



How Does HB 581 Compare to Other Exemptions?

Unlike a full "frozen" exemption, which permanently locks a home's assessed value at a set year, HB 581 uses an adjusted base-year approach. This means your base-year value is set the year before the exemption takes effect, and it can only increase each year by the inflation rate. It's similar to a "floating" exemption, which offsets rising market values, but HB 581 ensures any increase is tied solely to inflation — providing predictable, steady growth in taxable value rather than valuation increases based on the housing market.

Floating Sales Tax

What is the FLOST?

The Floating Local Option Sales Tax (FLOST) is a new sales tax of up to 1% that can be collected county-wide for five years. The revenue is shared between the county and its cities based on an intergovernmental agreement (IGA) and is used exclusively to reduce property taxes.

Minimum Requirements to Levy FLOST

To be eligible:

- The county or city must currently levy a property tax and have either a base-year freeze or floating homestead exemption in place.
- All other municipalities in the county that levy a property tax must also have one of these exemptions.
- The county and required municipalities must: Enter into an IGA as outlined in Georgia Code Section 48-8-109.31(d) (1), pass a local referendum with voter approval, and use all funds strictly for property tax relief under the IGA terms.

What can 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."