FLOST

1. Reduces both County and City property taxes!
2. Visitors and travelers pay about 30% of FLOST tax in Chattooga County to support our infrastructure, which everyone uses.
3. The one cent FLOST sales tax is used to reduce or eliminate the property tax millage rate that is used to pay for the operation expense of the cities and county government.
4. Supports the operation of Public Safety, Courts, Road Maintenance, Parks and other important public services.
5. An independent auditing firm audits FLOST revenue and expenses. Regulations specify when FLOST can be collected, for the purpose of reducing the property tax millage rate of Chattooga County and the Cities of Lyerly, Menlo and Trion. This time-limited tax is strictly for specific purpose of reducing the millage rate of the local governments.

CHATTOOGA COUNTY
GEORGIA
TRION
MENLO
SUMMERVILLE
LYERLY
ESTABLISHED 1838

Andy Allen
Sole Commissioner
Chattooga County, GA

10102 Commerce Street
Summerville, GA 30747
(706) 857-0700
Chattoogacounty.gov

Chattooga County, and Cities of Lyerly, Menlo and Trion

Floating Local Option Sales Tax (FLOST)

Key Points of HB 581:

- 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. Chattooga County homestead properties continue to remain frozen.
- The new law allows local governments the hold a local referendum to ask the voters to approve a 1% sales tax for the next 5 years.
- The purpose of the new Floating Local Option Sates Tax (FLOST) is to be used for property tax relief on all properties: residential, commercial and industrial.
- If approved by the voters, after the first year of collections Chattooga County and the Cities of Lyerly, Menlo and Trion would you reduce their property tax millage rate to offset the revenue received from the FLOST sales tax collections.

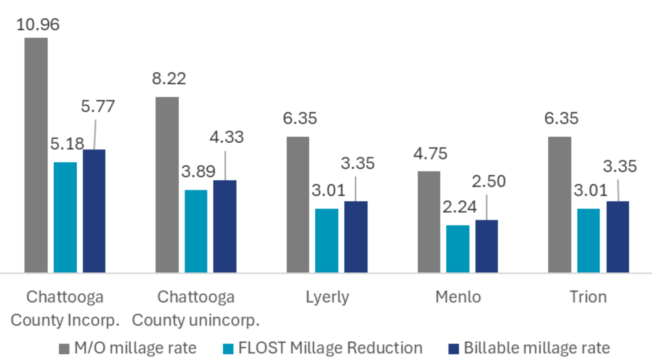
HB 581 Overview

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.

The new law provides for several significant changes impacting local government revenue. In general, HB 581 has three major components:

- Provides for some procedural changes to property tax assessments and appeals.
- Provides for a new statewide homestead exemption that applies to local governments (unless the local government affirmatively opts out)
- Creates a new local option sales tax available to be used for property tax relief.

FLOST Millage Rate Reduction 47.3% based on Property Tax Collections



Homestead Exemption

What is the HB 581 Homestead Exemption?
HB 581 offers an adjusted base-year homestead exemption. It limits annual increases in a home's assessed value to the prior year’s inflation rate (e.g., CPI). This applies to homestead properties in Lyerly, Menlo, and Trion. The base-year value is set the year before the exemption is approved and adjusts annually with inflation.

How does it compare to other exemptions?

- Floating Exemption: Adjusts yearly to offset market value increases, keeping taxable value stable unless adjusted by inflation (as in HB 581).
- Base-Year/Frozen Exemption: Locks the assessed value at the base year, preventing any increase (used in Chattooga County). Taxable value stays fixed, though millage rates may rise.
- Adjusted Base-Year Exemption: Like HB 581, the base-year value is set but adjusted annually by inflation, capping taxable value growth at the inflation rate. HB 581’s exemption is not a full freeze; it allows taxable value to rise with inflation, unlike Chattooga County’s frozen exemption, which blocks any increase in the taxable value of the property.

Floating Sales Tax

Generally, what is the FLOST?
The Floating Local Option Sales Tax or FLOST is a new sales tax that can be levied up to 1 percent and collected county-wide for 5 years. Funds are split between the county and cities based upon an intergovernmental agreement (IGA) and used for property tax relief.

What are the minimum requirements for a given county or municipality to be eligible to levy a FLOST?
The county or municipality must levy a property tax and have a base-year or floating homestead exemption in effect
All other municipalities within the county that currently levy a property tax must also have a base-year or floating homestead exemption in effect
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)
Hold a successful local referendum
Utilize the proceeds for property tax relief and in accordance with the IGA.

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.”