

**CITY OF PINELAKE, GEORGIA  
PUBLIC HEARING & WORK SESSION AGENDA  
FEBRUARY 11TH, 2025 @ 6:00PM  
COURTHOUSE & COUNCIL CHAMBERS  
459 PINE DRIVE, PINELAKE, GA 30072**

**NOTE: All attendees are reminded to silence cellular phones and other devices that may cause interruption of the session proceedings.**

**CALL TO ORDER – PUBLIC HEARING & WORK SESSION**

**PUBLIC HEARING (7:00PM)**

**-HB 581, Statewide Homestead Exemption Opt Out**

**ANNOUNCEMENTS/COMMUNICATIONS**

**ADOPTION OF THE AGENDA OF THE DAY**

**PUBLIC COMMENTS – 3 minutes each please**

**NEW BUSINESS**

1. Introduction of Monthly Strategic Performance Report (SPR)
2. Consent Agenda - Discussion
3. Budget Schedule - Updates
4. Swimming & Flume Status - Questions & Discussion
5. Future Retreat Schedule - Discussion
6. Executive Session

**PUBLIC COMMENTS – 3 minutes each please**

**REPORTS AND OTHER BUSINESS**

- a. Administration
- b. Public Works
- c. Public Safety

**Reports/Comments**

- a. Mayor
- b. City Council

**Information for “The Pine Lake News” eblast.**

**ADJOURNMENT**

**MAYOR**

Brandy Hall

**COUNCIL MEMBERS**

Jean Bordeaux, Mayor pro tem

Jeff Goldberg

Tom Ramsey

Thomas Torrent

Augusta Woods

**CITY OF PINE LAKE**

425 ALLGOOD ROAD

P.O. BOX 1325

PINE LAKE, GA 30072

404-999-4901

[www.pinelakega.net](http://www.pinelakega.net)



## COUNCIL AGENDA MEMORANDUM (CAM)

**TO:** Honorable Mayor and Council Members

**FROM:** Stanley D Hawthorne, City Manager 

**DATE:** January 28, 2025

**TITLE:** House Bill (HB) 581 Statewide Homestead Exemption Opt Out Election – Public Hearing

### **RECOMMENDATION**

A public hearing is recommended to be held for the City of Pine Lake's election to opt out of the HB 581 Statewide Homestead Exemption program.

### **BACKGROUND**

House Bill 581 was passed by the Georgia General Assembly during the 2024 legislative session and was signed into law by Governor Brian Kemp on April 18, 2024. HB 581 provides for several significant changes impacting local government revenue.

In general, HB 581 has three major components: first, the bill provides for some procedural changes to property tax assessments and appeals; second, the bill provides for a new statewide homestead exemption that applies to local governments unless the local government affirmatively opts out; third, the bill creates a new local option sales tax available to be used for property tax relief.

As authorized through a constitutional amendment (House of Representatives HR 1022 (2024) and outlined in House Bill (HB) 581, the local government seeking to opt out of the HB 581 homestead exemption must advertise and hold three public hearings of intent to opt out and then pass a resolution opting out and file it with the Secretary of State.

### **RESOURCE IMPACT**

There is no resource impact from the holding of a public hearing; however, a reduction of revenue adversely impacting the City's General Fund is projected because of the HB 581 Statewide Homestead Exemption program.

### **ATTACHMENTS**

HB 581 (2024): Frequently Asked Questions Document



191 Peachtree Street NE, Suite 700 • Atlanta, GA 30303



201 Pryor Street, SW • Atlanta, GA 30303

---

ASSOCIATION COUNTY COMMISSIONERS OF GEORGIA & GEORGIA MUNICIPAL ASSOCIATION

# **HB 581 (2024): Frequently Asked Questions Document**

## **The Local Opt-out Floating Homestead Exemption & Floating Local Option Sales Tax (FLOST)**

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.

[HB 581](#) provides for several significant changes impacting local government revenue. Counties and cities must understand these changes and be prepared to make critical decisions in the coming months that will have lasting impacts. In general, HB 581 has three major components: first, the bill provides for some procedural changes to property tax assessments and appeals; second, the bill provides for a new statewide homestead exemption that applies to local governments unless the local government affirmatively opts out; third, the bill creates a new local option sales tax available to be used for property tax relief.

This document provides frequently asked questions (FAQs) to give an overview of the key provisions of the bill, the statewide homestead exemption and new local option sales tax, and the considerations local governments must have in mind. Appendix A then includes an outline of these key provisions to help guide local decision making.

### **A. Generally**

#### **1. In a nutshell, what is HB 581 (2024) about?**

HB 581 contains multiple provisions related to property tax and sales tax. Most relevant to this FAQ, the bill:

- a. 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;
- b. Allows local governments to elect to opt out of this homestead exemption within their jurisdiction so that it will not apply to their taxable values; and
- c. Authorizes most local governments with the new homestead exemption (or equivalent) to levy a new sales tax to be used for property tax relief.

## 2. Where did this proposal come from and what was the reason?

Entering the 2024 legislative session, many legislators were concerned with the rapid rise in property values across the state, and in turn, the rise in property taxes. The homestead exemption proposal came from the General Assembly and was first introduced in the Senate. The reason was to provide more certainty to homeowners who are concerned about the significant increases to the taxable value of homes in recent years. Under this bill, if the local government does not opt out, then the homeowner knows their value may not increase by more than the rate of inflation, which prevents large jumps and helps them budget.

The sales tax provision (FLOST) came from the House and was originally designed as a flexible new sales tax to act in place of sales tax laws written to apply to only one jurisdiction, such as that for the Coliseum SPLOST for Augusta-Richmond County; however, it changed throughout the legislative process to become a method to reduce millage rates imposed on all properties (homestead and non-homestead).

## B. The Homestead Exemption of HB 581

### 1. What type of homestead exemption does HB 581 provide? Is there a difference between floating, base-year, adjusted base-year, and frozen homestead exemptions?

The core purpose of any base-year, floating, or frozen homestead exemption is to reduce or eliminate the tax impact of increases in the fair market value of a homesteaded property that occur following the purchase of a home. The terms are generally synonymous and used to describe either the practical or technical effect of the exemption. The key difference is whether such an exemption allows for adjustments to the base year value based on a standard rate or the inflation rate.

For a base-year, floating, or frozen homestead exemption *without* an adjustment factor, the value of the exemption changes or floats each year to always equal and exempt the full difference between the base-year value of the home and the current value of the home, so that the taxable value of the home never increases (but the millage rate may still increase). These are most often called frozen exemptions because the assessed value of the home is blocked from increasing (and often, from decreasing).

For a base-year, floating, or frozen homestead exemption *with* an adjustment factor, the base year and the base year value for a homestead does not change, but the base year value is adjusted annually by a percentage equal to either a set rate or the inflation rate that occurred during the prior year. These are best called adjusted base-year homestead exemptions.

In the case of HB 581, practically speaking, the homestead exemption limits the amount of any increase in the assessed value of homes to no more than the rate of inflation experienced over the prior year—it does not freeze the value. This is best described as an adjusted base-year homestead exemption, because it grants an exemption equal to the difference between the homestead's adjusted base-year value—generally the value for the year prior to the homeowner's application for the exemption plus an inflation factor for each year since the exemption was first granted—and the current year's true value.

It is important to note that most of these homestead exemptions do account for substantial changes in the property. For example, if a homeowner doubles the size of their house, then the base-year value may be increased, regardless of any freeze or limitation, but thereafter, the new base-year value enjoys the benefit of the exemption. Also important to note, these exemptions do not stay with the property nor the property owner when a change in ownership occurs. If an individual sells their home, the taxable value of that home resets to fair market value for the next owner. Similarly, the individual cannot carry the value of the exemption to their new home.

**2. How is the value of the HB 581 homestead exemption determined?**

The value of the exemption is unique to each individual property and will generally change each year for such properties. The core purpose of a base-year or floating homestead exemption is to reduce or eliminate the impact of increases to the fair market value of a homestead. In the case of HB 581, the homestead exemption prevents rapid increases in the assessed value of homes but does not freeze the value.

HB 581 is considered an adjusted base-year homestead exemption, because it allows the homestead's base-year value to increase annually by up to the inflation rate determined by the State Revenue Commissioner (likely the consumer price index) which occurred during the prior year. The value of the exemption is the difference between the adjusted base-year value and the fair market value. Even if two properties begin with identical base year values, if the fair market value of the properties diverge over time, then the property with the higher fair market value will receive the larger exemption while potentially paying the same in property taxes.

**3. If my local government wants to opt out of the HB 581 homestead exemption, how can we do that?**

As authorized through a constitutional amendment (HR 1022 (2024)) and outlined in HB 581, the opt-out process is very similar to the "public notification of tax increase" process that is required when a local government does not fully rollback its millage rate. The local government seeking to opt out of the HB 581 homestead exemption must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State. The process may not begin until the effective date of the bill on January 1, 2025, and must be completed by March 1, 2025. Each local government (county, city, school) may independently make the decision whether to opt out; any combination may elect to do nothing or opt out of the HB 581 floating homestead exemption. If a local government opts out, its taxpayers will not receive the benefit of the exemption, and their property will be taxed (absent other exemptions) at the property's fair market value.

**4. Should my local government opt out of the homestead exemption if we already have another form of a floating, base-year, or frozen homestead exemption?**

There are at least a few things to consider when answering this question for your jurisdiction.

First, how far does your current floating homestead exemption extend? Does it cover all millage rates, including those for special districts? The reason that this is important to answer is that the HB 581 homestead exemption extends to all millage levies except for any bond levies.

Second, does your current homestead exemption incorporate any form of inflationary or automatic increase? The value of the HB 581 homestead exemption for each homeowner is, in effect, reduced annually by the amount of inflation that occurred over the prior year, which allows the taxable value of the homestead to rise over time in-line with inflation. If your jurisdiction has a set rise over time that is expected to exceed the inflation factor in HB 581, then your jurisdiction may want to opt out.

Third, if the homestead exemptions are equivalent, you may want to consider opting out of the HB 581 floating homestead exemption to reduce confusion. Your jurisdiction would still have access to the new sales tax for property tax relief (FLOST) assuming all the conditions to impose the tax are met.

**5. Does the HB 581 homestead exemption apply to community improvement districts (CIDs)?**

For all practical purposes, the homestead exemptions would not apply to CID's as CID's may only levy taxes on nonresidential property. Ga. Const. Art. IX, Sec. VII, Para. III(c).

**6. How does the HB 581 homestead exemption affect tax allocation districts (TADs)?**

The homestead exemption could potentially reduce the amount of expected property tax revenue growth within the TAD by limiting the assessed value increase of homestead property over time. This question requires analysis specific to the TAD in question.

**7. Can the HB 581 floating homestead exemption be later repealed for my county or city?**

If a jurisdiction elects not to opt out of the HB 581 homestead exemption, they will not have an opportunity to opt out in the future and will have the homestead exemption permanently. There may be a method to remove such jurisdictions in the future, but it would require a change to general law or a constitutional amendment done by the legislature.

**8. Will the HB 581 homestead exemption affect a homeowner's existing homestead exemptions?**

HB 581 does not eliminate any existing homestead exemptions for any jurisdiction, regardless of the type of homestead exemption, but it may override existing floating, base-year, and frozen exemptions, if the HB 581 exemption provides a greater benefit to the taxpayer.

- a. If your local government has an existing non-floating homestead exemption, such as an exemption for \$5,000 of assessed value, that will be unaffected by HB 581. The floating homestead exemption is calculated first, and then the non-floating exemptions are calculated on the back end. That said, if the existing, non-floating local homestead exemption says that it may not be applied in addition to any other homestead exemption, then it may not be applied.
- b. If your local government has an existing base-year homestead exemption, then the taxpayer will receive whichever provides them with the largest benefit in any given year. Your tax assessor's office will be responsible for tracking both floating homestead exemption values in addition to the fair market value.

For example, if there is an existing base-year or floating homestead exemption that does not have inflationary increases, then it would generally provide the larger benefit to the taxpayer. Similarly, if the base-year of a homestead exemption that is comparable to HB 581 pre-dates HB 581's base-year, then the older base year will likely provide the larger benefit.

**9. Will it affect the county's ability to impose a FLOST if another city opts out of the homestead exemption granted by HB 581?**

Yes, if a city that imposes a property tax opts out, then the county and all cities within the county will be ineligible for the FLOST. If a city that does not levy a property tax opts out, then it would not affect the ability for the county to levy a FLOST. If even one city that opts out does levy a property tax at such time, then the FLOST would not be permitted. Of course, jurisdictions may opt out and not impact eligibility if the jurisdiction has another eligible homestead exemption in place.

**10. If the county opts out of the homestead exemption will this impact a municipality's ability to impose a FLOST?**

Yes. Similarly, if a county opts out all municipalities in the county will be ineligible for the FLOST unless the county has another eligible homestead exemption in place.

**11. If a municipality or a county opts out of the HB 581 homestead exemption will homesteads have multiple assessed values for tax assessment?**

Yes, if the homestead exemption applies for some but not all jurisdictions, the taxable value of the property will essentially be different. The fair market value of a property is the same for all taxing jurisdictions where the property is subject to property tax. Homestead exemptions are applied after the fair market value of the home is determined and reduce the taxable value of the home—the taxable value may be different among jurisdictions based on applicable homestead exemptions.

Every county assessor's office is required to maintain a set of books with the fair market value of the property. The assessor's office will be required to maintain two or more sets of values if there are one or more floating homestead exemptions. Each homestead may have a different base-year value across multiple jurisdictions, but this will be tracked by the assessor's office.

**12. For a home that has an exemption under HB 581, what happens if the home is substantially improved or is destroyed? How are changes to the home's value that do not result from market forces handled?**

Substantial changes to the property are considered when assessing the property. Any substantial change will increase or decrease the adjusted base year value of the home.

Example: The adjusted base year value of a home as of January 1, 2028, was \$500k. During 2028, the homeowner doubles the square-footage of her home and adds a swimming pool. As of January 1, 2029, the tax officials for the county determine that the changes to the home increase the value by \$200k. The adjusted base year value for the 2029 tax year = \$500k (the 2028 ABYV) + \$200k (substantial change value) + any applicable inflation factor.

**13. If my local government opts out of the floating homestead under HB 581, can we opt in at a later date?**

If your local government opts out, there is no future opportunity for the local government to unilaterally opt-in or rejoin the HB 581 exemption.

However, a local government may still obtain a similar homestead exemption in a traditional manner. The General Assembly may pass a local Act creating an equivalent local floating homestead exemption. This would require 2/3's vote in the General Assembly and a local referendum. The General Assembly may do this against the will of the local government. We encourage you to maintain a dialogue with your local legislators, especially if you intend to opt out.

**14. If my local government opts out of the HB 581 floating homestead exemption and our legislative delegation disagrees with that decision, can they take action to mandate the floating homestead exemption on my local government?**

If your local government opts out of the HB 581 floating homestead exemption and your legislative delegation disagrees with that decision, your local delegation can pass a local Act to impose a floating homestead exemption within the jurisdiction. HB 581 has not changed the ability of the legislature to create specific homestead exemptions for local governments. This local Act would be subject to 2/3 vote in the General Assembly and approval by the voters in a local referendum. If the referendum is successful, then your local government would be subject to the homestead exemption provided for in the local Act, even though you opted out of the HB 581 exemption.

Note: A local government could elect to opt out of the HB 581 exemption and ask their local delegation to proceed with a more customized version of the homestead exemption.

**15. Can the floating homestead exemption be transferred to a new owner of the home?**

No, the homestead exemption is not portable or transferable—it is tied both to the property owner and the home. However, in the case of a surviving spouse who was not on the deed at the time of their spouse's death, said surviving spouse may continue the homestead exemption in the same manner as the deceased spouse, provided that the surviving spouse is otherwise eligible for the homestead exemption.

For anyone else that acquires the home as a homestead, the base-year and base-year value will be reset to the year prior to the person's acquisition of the home and to the actual value for the home for such prior year.

**16. How much land can be included in a qualified floating homestead exemption?**

Georgia state law states that the homestead exemption applies to the homestead and the land immediately surrounding the homestead; there is no specification for acreage. Many local homestead exemptions do limit the total acreage. It is likely up to local interpretation as to what



land constitutes the land “immediately surrounding” the homestead. The exemption would not include buildings or structures on the property, which are not part of the homestead dwelling, itself.

**17. Does the HB 581 floating homestead exemption apply to special service districts?**

Yes, the HB 581 floating homestead exemption applies to all millage rates except for millage rates to retire bonded indebtedness.

Point to consider: If the local government has an existing floating homestead exemption that *does not* apply to special service districts, then you may want to consider opting out, so your special service district millage levies are unaffected.

**18. If a homeowner’s assessed value was locked following their appeal to the Board of Equalization in 2022, would that value be used for the 2024 base year for the purposes of the HB 581 exemption?**

The homestead’s final assessed value for the base year is the base year value for the purposes of the HB 581 exemption. Code Section 48-5-44.2(a)(3)(A). Accordingly, if the locked assessed value from 2022 is what was lawfully used as the homestead’s final assessed value for 2024, then that taxpayer would have their HB 581 2024 base year assessed value set at that same amount.

**19. Will the market value or the adjusted base year value be used when calculating value increases to the tax digest that are factored into the rollback millage rate that cannot be exceeded without advertising a tax increase?**

The digest value for rollback purposes utilizes the net taxable digest, which is the value of the digest *after* exemptions are accounted for.

## C. The Floating Local Option Sales Tax (FLOST)

### 1. Generally, what is the FLOST?

The Floating Local Option Sales Tax or FLOST (named for its relation to the floating homestead exemption) is a new sales tax that can be levied up to 1 percent and collected county-wide. Funds are split between the county and cities based upon an intergovernmental agreement (IGA) and used for property tax relief.

### 2. What are the minimum requirements for a given county or municipality to be eligible to levy a FLOST?

- a. The county or municipality must levy a property tax and have a base-year or floating homestead exemption in effect<sup>1</sup>;
- b. All other municipalities within the county that currently levy a property tax must also have a base-year or floating homestead exemption in effect<sup>2</sup>;
- c. The county or municipality must have available room under the overall sales tax cap<sup>3</sup>;
- d. 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);
- e. Hold a successful local referendum<sup>4</sup>; and
- f. Utilize the proceeds for property tax relief and in accordance with the IGA<sup>5</sup>.

### 3. Who must sign the intergovernmental agreement to authorize the referendum for the FLOST?

The county must reach an intergovernmental agreement with municipalities levying a property tax that represent at least 50% of the total municipal population within the county. This minimum requirement does not preclude more municipalities than those representing 50% of the municipal population from signing the IGA if all parties agree.<sup>6</sup>

Any municipality that does not sign the IGA is treated as an 'absent municipality' and will receive proceeds from the FLOST based upon the size of its population relative to the total municipal population within the county, excluding any municipalities that do not levy a property tax. Municipalities that do not levy a property tax are excluded from the calculations and from sharing in FLOST revenues.<sup>7</sup>

---

<sup>1</sup> Code Section 48-8-109.31(d)(1)(A).

<sup>2</sup> Code Section 48-8-109.31(d)(1)(A).

<sup>3</sup> Code Section 48-8-6(a).

<sup>4</sup> Code Section 48-8-109.32.

<sup>5</sup> Code Section 48-8-109.42.

<sup>6</sup> Code Section 48-8-109.31(d)(1)(A).

<sup>7</sup> Code Section 48-8-109.31(d)(2).

**4. What must an IGA to levy FLOST include?**

- a. The rate of the tax: incremental in .05% increments up to a full 1.0%;
- b. The duration of the tax: up to 5<sup>8</sup> years;
- c. Provisions for calling the referendum for the tax, including the question for the ballot;
- d. The distribution schedule<sup>9</sup> apportioning proceeds among:
  - i. County
  - ii. Municipalities
  - iii. Absent Municipalities
- e. The IGA is not required to specify how property tax relief is to be applied but may do so.

**5. How is the sales tax referendum scheduled?**

First, there must be a valid intergovernmental agreement between the county and cities specifying the distribution of the tax. Next, the county may call for the sales tax referendum similar to other sales tax referenda.<sup>10</sup>

**6. Is a local referendum necessary to impose the FLOST even if the ballot measure in November is successful?**

Yes. It is important to note that the ballot question in November of 2024 proposes a constitutional amendment which enables the homestead exemption. If this amendment is not approved, all of HB 581 (including the FLOST) is repealed. If the constitutional amendment is approved, a subsequent referendum within the county is still required to levy the FLOST. Counties and cities should be mindful that the FLOST must be approved by voters in the county to be levied when making policy decisions concerning the homestead exemption.

**7. Does FLOST revenue affect the rollback millage rate that is calculated for the purposes of Code Section 45-5-32.1 (Taxpayer Bill of Rights), which requires the advertising of a property tax increase, if exceeded?**

Yes. Unlike LOST, the total amount of FLOST collected in the preceding calendar year must be subtracted from the millage equivalent calculated to provide the jurisdiction with the same net proceeds from the current year's net taxable digest value as those derived from the previous year's millage rate when multiplied by the previous year's net taxable digest value.

---

<sup>8</sup> Code Section 48-8-109.32(a).

<sup>9</sup> Code Section 48-8-109.36(2).

<sup>10</sup> Code Section 48-8-109.32.

**8. What can the 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.”
- Additionally:
  - “Each taxpayer’s ad valorem tax bill shall clearly state the dollar amount by which the property tax has been reduced as a result of the imposition of the tax imposed under this article”; and
  - “The roll-back rate for the political subdivision, which is calculated under Code Section 48-5-32.1 [Taxpayer Bill of Rights], shall be reduced annually by the millage equivalent of the net proceeds of the tax authorized under this article, which proceeds were received by the political subdivision during the prior taxable year.”

**9. In what ways may the local government calculate and apply the FLOST property tax relief to the property tax bill?**

Outside of the parameters in Code Section 48-8-109.42, jurisdictions have latitude to apply the funds for legal purposes within the special district and as may be provided for in the intergovernmental agreement.

- The tax relief must be applied uniformly across all forms of tangible property within the given taxing jurisdiction for which it applies. For these purposes, taxing jurisdictions for which property tax relief may be granted can be the county, a municipality, or a special district, provided that the application is uniform within the given taxing jurisdiction.
- When the credit or reduction is shown on the taxpayer’s property tax bill, it **MUST** be applied as property tax relief, which would be a reduction in a charge that is assessed and levied upon the value of a property. The credit *cannot* reduce any charge or fee, which is not levied upon the value of the property (ad valorem). If a flat dollar amount is shown on the property tax bill, said dollar amount must be derived from the taxpayer’s savings from the reduction in the millage rate or assessed value.
- While not required, the best practice is to include within the required IGA exactly how the proceeds of the FLOST will be applied as property tax relief.

**10. What types of communities would benefit most from a FLOST?**

Communities that wish to supplant property taxes with sales tax would benefit from FLOST. It is a policy decision that would be expected to shift some of the tax burden imposed on the local government’s property owners to those who make purchases within such jurisdiction. Accordingly, communities with sales tax revenues derived disproportionately from those living outside of the local government’s jurisdiction would expect to see a net benefit for its property owners by shifting the tax burden to consumers; whereas those communities that have disproportionately few property owners among its many resident consumers would find only a shifting of the tax burden within the jurisdiction.

**11. How often does the FLOST have to be voted on?**

FLOST may be implemented for up to 5 years at a time, so at least every 5 years. Moreover, all FLOST renewals require a local Act of the General Assembly, so there is no renewal without a local Act and a new IGA, and passage in a local referendum.<sup>11</sup> While there is no requirement of a local Act to initially levy the FLOST any subsequent renewal does require a local Act from the General Assembly.

**12. My county doesn't have a LOST. How will this affect my county, city, etc.?**

Having a LOST is not a requirement for the FLOST. LOST is the most similar sales tax to the FLOST, but the way property tax relief is calculated under FLOST is more flexible than LOST.

**13. Does this bill require the Department of Revenue to provide point-of-sale information?**

This bill does not require DOR to provide point of sale information but does require such information to be furnished to DOR by the retail establishments that are required to collect the tax. All sales for FLOST occur countywide (within the special district which is conterminous with the boundaries of the county), except in the case of a county containing a municipality that levies the Water and Sewer Projects Cost Tax (MOST), in which case the FLOST is not collected within the boundaries of the MOST city.

**14. Are Water and Sewer Projects Cost Tax (MOST) cities ineligible for a FLOST?**

Yes, the cities that levy a MOST tax are ineligible to levy or receive proceeds from FLOST. This means that they are not counted when determining the municipal population in the county levying the LOST, the city levying the MOST cannot share in the proceeds of the FLOST, and the FLOST may not be levied within the municipal boundaries of the city levying the MOST.

Currently, the MOST cities are: Atlanta, East Point, College Park, and Hapeville.

**15. If the school board opts out of the floating homestead exemption, can the county and municipalities still levy the FLOST tax?**

Yes, if the school board opts out, you can still levy the tax assuming all other requirements are met. Schools generally cannot receive revenues from sales taxes other than those authorized by the Constitution (ESPLOST) and certain existing Local Constitutional Amendments (ELOSTs), so it would require such a constitutional amendment specifically authorizing or requiring that school districts receive a share in the FLOST.

---

<sup>11</sup> Code Section 48-8-109.33(c)

**16. If my jurisdiction opts out of the HB 581 floating homestead exemption and has an existing base-year or floating homestead exemption, but which only applies to the general maintenance and operations (M&O) levy, would my jurisdiction be blocked from participating in the FLOST?**

No, not on that basis alone. If your local government has an existing floating or base-year homestead exemption of any kind, you may still qualify for the FLOST, even if you opt out of the HB 581 floating homestead exemption. HB 581 only requires that you have some form of a base-year or floating homestead exemption to participate in FLOST. Such exemption can either be a local floating homestead exemption (predating HB 581 or added after) or the HB 581 floating homestead exemption. Please note that the HB 581 floating homestead exemption will apply to all levies, including special service districts, except for bonded indebtedness.

**17. If my county or city decides to opt of the homestead exemption, is it forever ineligible to levy the FLOST?**

No. First, your city or county may already have a homestead exemption in place making them eligible for the FLOST. Second, if there is no homestead exemption in place and your county or city opts out, it can once again become eligible to levy the FLOST in the future through a subsequent eligible homestead exemption put in place by a local Act of the General Assembly.

**18. What happens if we pass a FLOST and our legislative delegation does not approve the renewal, or the voters do not renew it?**

If you pass a FLOST and your legislative delegation does not approve the renewal or the voters do not renew it, then the most likely outcome is an increase in the applicable millage rates. Since FLOST is sales tax being used to offset property tax, if the FLOST expires, the local government will have to cut expenses, raise property taxes, or some combination thereof.

**19. If my county has an ELOST, can we utilize the FLOST?**

If your county has an ELOST, the availability of FLOST depends on a few factors:

- a. Does the exact verbiage of the local constitutional amendment (LCA) limit the distribution of proceeds in the way that FLOST requires? Some of the LCAs are very permissive, and others are very restrictive. Please consult with your local jurisdiction's attorney for a legal opinion.
- b. Is the jurisdiction otherwise eligible to levy a FLOST?
- c. Does the jurisdiction have sufficient room under its local sales tax cap to levy a FLOST? See Code Section 48-8-6(a).

ELOST Counties: Habersham County; Chattooga County; Catoosa County; Harris County; Pickens County; Walton County; Houston County; Towns County.

## Appendix A: HB 581 - Timeline/Decision Tree

- 1) November 5, 2024: Statewide ballot measure determining approval of constitutional amendment enabling homestead exemption.
  - a) If the ballot question is not approved, HB 581 is repealed in its entirety. No further action is needed by local governments. All other property tax changes and the FLOST are repealed as well.
  - b) If the ballot question is approved, counties, cities, and school boards may independently determine whether they would like to “opt out” of the homestead exemption and not have the exemption apply to their homeowners.
- 2) Beginning January 1, 2025 through March 1, 2025, local governments may “opt out” and not have their homeowners receive the HB 581 floating homestead exemption.
  - a) If the local government decides not to “opt out” no action is required by the local government and the homestead exemption will go into effect.
    - i) The HB 581 homestead exemption does not replace existing locally enacted homestead exemptions.
      - (1) If your local government has an existing flat dollar homestead exemption, the 581 exemption will be in addition to that exemption.
      - (2) If your local government has an existing base year or adjusted base year exemption, the taxpayer will receive the more beneficial exemption.
    - b) If your local government decides to opt out, it must advertise and hold three public hearings of intent to opt out, and then pass a resolution opting out and file it with the Secretary of State by March 1, 2025.
  - 3) If the November 2024 ballot question is approved, your county or city may decide whether to levy a FLOST for property tax relief. You must determine if you are eligible for the FLOST.
    - a) If your county/city does not levy a property tax, you are not eligible to levy/participate in the FLOST.
    - b) If you levy a property tax:
      - i) Your county/city must have a base year or adjusted base year homestead exemption in place.

\*This may either be the homestead exemption provided by HB 581 or an existing base year or adjusted base year homestead exemption created by a local Act.
      - ii) The county and every municipality in the county that levies a property tax must also have a base year or adjusted base year homestead exemption in place (HB 581 or existing).

- iii) If the county or any city that levies a property tax does not have an eligible homestead exemption in place, the county and all cities within are not eligible for the FLOST.
- c) If the eligibility criteria is met:
  - i) The county and city or cities representing at least 50% of the municipal population of cities levying a property tax must sign an intergovernmental agreement (IGA) for the levy of the tax. This IGA will set the rate (up to 1%), duration (up to 5 years), distribution of proceeds among the county and cities, and the ballot question to be used.
  - ii) The levy of the FLOST must be approved by the voters across the county in a referendum.
- d) The FLOST may then be levied for up to 5 years before needing to be renewed. Prior to the expiration of the tax a renewal requires: A local Act by the Georgia General Assembly approving the renewal for the jurisdiction, a subsequent IGA between the eligible county and cities, and a subsequent referendum for the voters to approve the renewal of the tax.

**Disclaimer**

This publication is for general informational purposes only. While some of the information contained in this publication is about legal issues, it is not and should not be treated as legal advice. You should consult with your legal counsel before taking action based on the information contained in this publication. Material posted in this publication may be subject to copyrights owned by ACCG, GMA, or others, and any reproduction, retransmission or republication of such material, except for personal use or with the prior written consent of ACCG, GMA, or other copyright owner, is prohibited. The names, trademarks, service marks, logos and other emblems of ACCG and GMA in this publication may not be used without ACCG's or GMA's prior written express permission.



**From:** PWsupervisor <[pwsupervisor@pinelakega.net](mailto:pwsupervisor@pinelakega.net)>  
**Date:** February 4, 2025 at 8:26:34 AM EST  
**To:** Stanley Hawthorne <[stanleyhawthorne@pinelakega.net](mailto:stanleyhawthorne@pinelakega.net)>  
**Subject: Re: Questions about swimming and the flume status**

Good Morning Mr. Hawthorne

This is an update of the latest contact with the Army Corps of Engineers related to the proposed wetlands maintenance. This meeting and the response provided occurred on January 21, 2025.

As I previously reported/presented to Mayor and Council, concurrence is needed from the Army Corps of Engineers in order to move forward with the extensive maintenance work that the Council desires. This includes a reissuance of the City's Nationwide Permit 3 that is currently waning.

There are also other considerations/first steps that need to be addressed (I've also presented these) :

- Selection of a new engineering firm

- Refinement of the Scope of Work

  - Dam maintenance project review/incorporation

  - wetlands maintenance/construction extensions

  - jurisdictional issues (Snapfinger Creek dam ownership)

  - Historical impacts

  - Lake/Creek water budget

Mayor and Council was also told that the permitting process is a lengthy one.

I am free to discuss in depth

---

Text of response from ACOE representative

Good Afternoon Mr. Kendrick,

Thank you for taking the time to speak with me today.

As discussed, I understand the City of Pine Lake proposes to remove accumulated sediment upstream and downstream of dam outflow structure, repair a constructed wetland upstream of Pine Lake and downstream of the dam outflow, and ongoing maintenance around existing walking trails. As described, the proposed work can qualify for verification under Nationwide Permit (NWP 3) Maintenance.

Please see the attached Courtesy List of Georgia Environmental Consultants and the highlighted section of the 2021 Nationwide Permit General Conditions starting on page 4.

When your application is ready to be submitted, please use the [RRS system](#) to apply. You may need to create a profile in Login.gov. Additionally, supplemental material and maps can be submitted into this system.

The application materials must include the following:

1. A map of all aquatic resources within the review area
2. The cross sections of the existing conditions and proposed conditions showing the ordinary high-water mark of the lake and other stream features.
3. The calculation amounts of the permanent and temporary discharge of fill material within the aquatic features.
4. The proposed narrative of the construction methods and processes.
5. The approximate cubic yards of sediment to be excavated.
6. The latitude and longitude of each sediment removal location.
7. Location of the upland sites that will hold the excavated sediment.
8. Describe the equipment proposed to be used to remove the sediment.
9. Describe Erosion Control and avoidance and minimization methods.

As always, please feel free to contact me with any questions or concerns.

All the best,

Oya Money-Worthy

Regulatory Specialist, Biologist

U.S. Army Corps of Engineers

Savannah District, Regulatory Division

4751 Best Road, Suite 140

College Park, Georgia 30337-5616

[Oya.M.Money-Worthy@usace.army.mil](mailto:Oya.M.Money-Worthy@usace.army.mil)

Tel: (678) 422-2728

Fax: (678) 422-2734

---



Streamline the permitting process with the **Regulatory Request System (RRS)** — your new online platform for permit applications.

[rrs.usace.army.mil](https://rrs.usace.army.mil)



**Bernard Kendrick**

Special Projects Manager

City of Pine Lake

404.999.4901

[pwsupervisor@pinelakega.net](mailto:pwsupervisor@pinelakega.net)

---

**From:** Stanley Hawthorne <[stanleyhawthorne@pinelakega.net](mailto:stanleyhawthorne@pinelakega.net)>

**Sent:** Monday, February 3, 2025 4:23 PM

**To:** Tom Ramsey <[tomramsey@pinelakega.net](mailto:tomramsey@pinelakega.net)>

**Cc:** PWSupervisor <[pwsupervisor@pinelakega.net](mailto:pwsupervisor@pinelakega.net)>; Council Work <[councilwo@pinelakega.net](mailto:councilwo@pinelakega.net)>

**Subject:** Re: Questions about swimming and the flume status

Good afternoon,

Mr. Kendrick and I will discuss remedial options for further discussion with City Council.

**Stanley**

On Feb 3, 2025, at 4:12 PM, Tom Ramsey <[tomramsey@pinelakega.net](mailto:tomramsey@pinelakega.net)> wrote:

FYI - City Manager and PW Supervisor

As Mr. Kendrick , this was a major issue at City Council a few months back. And while some initial progress was made on clearing some vegetation, no other progress has been seen. In the meantime our lake, the City's crown jewel, goes dry.

Time for an update and well-defined next steps.

Thanks,

Tom Ramsey



# STRATEGIC PERFORMANCE REPORT

## FEBRUARY 2025



### Introduction

I am pleased to debut the first installment of the Community Building Team's (CBT's) monthly Strategic Performance Report. The content of the standardized report will expand over time as team members make contributions or author sections intended to be comprehensive of the operations and issues affecting the City of Pine Lake.

Let's first review the conceptual role of the Community Building Team (CBT).



The Community Building Team (CBT) consists of the City Manager, Department Leaders, and Supporting Staff who make up the administrative structure of the City of Pine Lake organization. Our role as executors and mine as chief executive officer is to facilitate the organization's mission "to build quality community" while bridging available resources with the expectations of constituent groups served, namely, the community (our neighbors), the governing body (mayor and council), and employees (community builders).

As such, CBT's purpose rises above individual or siloed departmental responsibilities. Our approach must be strategic to meet the expectations of each constituency group in building the community most desired by stakeholders. On a monthly basis coinciding with the regular work session of the City Council, the Community Building Team will share strategic insight and performance including challenges and opportunities, as well as preview recommendations that may come before the Mayor and Council for action. Each report will be narrative based, storytelling in approach for easier comprehension by the public, composing timely topics that are concise in presentation, and showcasing images and illustrations, as may be helpful and fun.

## Dear Pine Lake Neighbors, Who Am I?



I am Stanley Hawthorne and happy to be your neighbor and City Manager, effective January 1, 2025.

Borrowing from your welcoming message: "Pine Lake is where the stranger becomes a neighbor and the neighbor becomes a friend."

Now that's my kind of place and those are my choice of people.

I look forward to working with each of you, our neighbors, and staff to build the community that we collectively desire.

Our mission as a team is to build quality community.

My goal is to be an effective and caring public servant.

I understand the value of community engagement through listening, sharing and interacting earnestly with neighbors.

Through my many years of public service, I have had the privilege of serving diverse communities and now serving the wonderful micropolitan place of Pine Lake.

What a great honor it brings me to build community with enthusiasm, motivation, support, and guidance working hand in hand with each of you.

By nature, I am a quiet person much preferring to listen than talk.

However, when it comes to building greater community for Pine Lake, I assure you that passion will give me voice.

I am thrilled to be here in “Arts’ Natural Habitat.”

Thank you for the invitation to become a neighbor and a friend.

*Very truly yours, Stanley*

## Role of City Manager

In 2024, Senate Bill 562 was passed by Georgia’s State Legislature amending the City of Pine Lake’s Charter to transfer powers from the Mayor to the City Manager and vest additional powers in the City Manager.



“The city manager shall be the chief administrative and executive officer of the city. The city manager shall report to the mayor and be responsible to the city council for the administration of all city affairs placed in the city manager’s charge by or under this charter. As the chief executive and administrative officer, the city manager shall:

- (1) Appoint and, when the city manager deems it necessary for the good of the city, suspend or remove any city employee and administrative officers the city manager appoints, except as otherwise provided by law or personnel ordinances adopted pursuant to this charter. The city manager shall authorize any administrative officer who is subject to the city manager’s direction and supervision to exercise these powers with respect to subordinates in that officer’s department, office, or agency;
- (2) Direct and supervise the administration and operation of all departments, offices, and agencies of the city, except as otherwise provided by this charter or by law;
- (3) Shall serve as the director of administration; or delegate such responsibility to any administrative officer under the city manager’s supervision;
- (4) Attend all city council meetings, except for closed meetings held for the purpose of deliberating on the appointment, discipline, or removal of the city manager or held for the purpose of

- receiving legal advice regarding the city manager, and have the right to take part in discussion, but the city manager may not vote;
- (5) Perform the general duties of treasurer, accountant, and fiscal officer;
  - (6) See that all laws, provisions of this charter, and acts of the city council, subject to enforcement by the city manager or by officers subject to the city manager's direction and supervision, are faithfully executed;
  - (7) Prepare and submit to the city council a recommended operating budget and recommended capital budget;
  - (8) Submit to the city council and make available to the public, at least annually, a statement covering the financial condition of the city and a report on the administrative activities of the city as of the end of each fiscal year;
  - (9) Make such other reports as the city council may require concerning the operations of the city departments, offices, and agencies subject to the city manager's direction and supervision;
  - (10) Keep the city council advised as to the financial condition and future needs of the city, and make such recommendations to the city council concerning the affairs of the city as the city manager deems desirable;
  - (11) Provide council with an organizational chart that identifies all directors and the departments of city government that have been legally activated;
  - (12) Be responsible for the administration of court service operations, maintenance of municipal court records and collection of fines as established by ordinance and state law; and
  - (13) Perform other such duties as are specified in this charter or as may be required by the city council."

## **Communications Between Council and Staff**

Section 2.30 of the City Charter provides a clause on "Council's interference with administration. Except for the purpose of inquiries and investigations under Section 2.15 of this charter, the city council or its members shall deal with city officers and employees who are subject to the direction and supervision of the city manager solely through the city manager, and neither the city council nor its members shall give orders to any such officer or employee, either publicly or privately."

In fulfilling our respective duties and responsibilities, as prescribed by the City's Charter, it is important how the city council and its individual members, chief executive and administrative officer (CEO/CAO), city officers and employees interact and communicate. I believe that an ineffective role of the City Manager would be serving as messenger between the members of the governing body and expert administrative officers. An overly restrictive communication scenario would likely consume much of my time adversely impacting my attention to other duties and responsibilities.





Nonetheless, we each have a responsibility of not confusing the distinguishing lines of authority and interaction between the governing body, chief executor, department heads, and all other employees of the organization. To provide practical clarification, I prescribe the following terms of communication between the members of the governing body and the members of the administrative team:

Communication from members of the governing body to staff is often organic based on questions, interests or circumstances as may relate to a staff member's responsibilities and expertise.

There is no reason to be uncomfortable with any natural occurrence of discussion between a staff member and a member of the governing body.

A members of the governing body may ask a question or request information of a staff member and the answer or information is not readily known or available. If the answer is known or the information is available, it should be provided promptly. If an answer to a question is not known or if information is not available, the staff member should answer, accordingly.

If a staff member is approached by an elected official for consultation or direction, the staff member should always listen respectfully and advise the City Manager, particularly if the request or discussion is questionable or makes one uncomfortable.

A staff member may ask any request be made in writing, preferably by email so that staff member can fully assess the request and copy the City Manager and others. Email affords all applicable parties an opportunity to not only memorialize questions and requests but to ensure proper inclusion, assessment, and response.

Staff is strongly discouraged from initiating communications of substance with select member(s) of the governing body. Substantive communications deemed worthy to communicate should be shared with all members of the governing body.

## Consent Agenda



A suggestion is made to reincorporate a “consent agenda” as part of the City Council’s Regular Meeting Agenda. Historically, a consent agenda has been used for some meeting agendas.

For background and perspective, I offer the following research link: [Consent agenda: great tool for speedier meetings - Jurassic Parliament/consent-agenda-in-roberts-rules/](https://www.jurassicparliament.com/consent-agenda-in-roberts-rules/)

### Foreword

“One of the most useful tools for efficient meetings is a “consent agenda.” This is a single item of business on a regular agenda that includes several items bundled together. The items cannot be discussed or debated. They are approved with a single vote.

### Removing an item from the consent agenda

When the board reaches that point in the meeting agenda, the chair first asks if anyone wants to remove any item from the consent agenda. If a member requests, the chair immediately removes the item from the consent agenda. It will be considered at its proper place in the usual order of business. Board members don’t need to give a reason for requesting that an item be removed from the consent agenda.

### Voting on the consent agenda

The chair then takes a single vote on the remaining package of items, and the board votes to approve them *en bloc* (all at once, as a batch). The key point is that if anybody wants to comment about or discuss any item, in any way whatsoever, it is immediately removed and placed on the regular agenda.

If you would like to use this method, you should adopt a special rule of order (read how to do this in our article [What are special rules of order in Robert’s Rules](#)) or include the consent agenda in your rules of procedure or standing rules.

## 2024 and 2025 Budget Schedules

As the City’s fiscal year (FY) coincides with the calendar year, there are future review or work sessions followed by formal actions of the City Council required for the Fiscal Year 2024 Adopted Budget that ended December 31, 2024 as well as for the Fiscal Year 2025 Adopted Budget that ends on December 31, 2025.

As staff completes its review over the next several weeks of revenue and expenditure reconciliations for recommendation to ensure meeting balanced budget requirements, we recommend in successive order that the FY 2024 Budget review and reconciliation be followed by the FY 2025 Budget review and adjustments beginning at the City Council Work Session in March 2025. Multiple sessions may be required for review and formal action.



## Position Classification and Pay Plans

Section 3.16 of the City Charter provides “The city manager shall be responsible for the preparation of a position classification and pay plan which shall be submitted to the city council for approval.”



From my continuing education and assessment of organizational requirements, the status of employee pay, and classification is an urgent priority. My early assessment is that we have a small but mighty and dedicated workforce who in general have taken on multiple assignments as part of their regular duties to keep the City minimally operationalized. My concerns are exacerbated by potential internal and external market equity issues that will need to be scientifically assessed with swift redress of findings, if any.



As we consider budget adjustments necessary for the Fiscal Year 2025 Budget noted above for future scheduling purpose, you should expect a recommendation for the fulfillment of Charter Section 3.16. From my preliminary research, a comprehensive update of the City's Classification and Pay Plans are past due.

Very truly yours,

*Stanley D Hawthorne*

City Manager  
stanleyhawthorne@pinelakega.net  
404.999.4901

