



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

March 25, 2026

Honorable Shaw Blackmon
Chairman, House Ways and Means
133 State Capitol
Atlanta, GA 30334

SUBJECT: Revised Fiscal Note
House Bill 1116 (LC 33 9902S)

Dear Chairman Blackmon:

This fiscal note replaces the one released March 23, 2026. The revision recognizes that both the LOST and FLOST could be converted into a LHOST with no reduction in revenue for the 36 counties that have both. The FLOST conversion would be subject to voter approval.

The bill would establish the Homeownership Opportunity and Market Equalization Act of 2026. It amends local sales and use tax provisions in several ways, including modifying the local sales tax cap and changing existing local sales taxes to a Local Homestead Option Sales Tax (LHOST) either automatically or via local referendum. Revenue from the LHOST would be used for full homestead tax relief first, then non-homestead tax relief, and finally for other local services. The bill would also require school boards to receive voter approval before adopting a budget that includes a property tax revenue increase that exceeds the greater of three percent or the rate of inflation.

Impact on Revenue

The bill would have no impact on state revenue but would have implications for certain local option sales taxes. Georgia State University's Fiscal Research Center (FRC) detailed those changes and expected implications in the appendix.

Impact on Expenditures

The bill would result in increased costs for the Department of Revenue (DOR) and could eventually impact state education funding as discussed below.

- **Department of Revenue** – DOR would incur additional annual costs of approximately \$105,000 for the salary and benefits of an additional business analyst in the local government services division. One-time costs for the position are \$1,825 for a computer and other equipment. Changes to the information system would take approximately 26 weeks and an estimated \$315,000 in existing staff time.
- **Education Funding** – While the bill would not have any immediate impact on state funds needed for Quality Basic Education (QBE) or the Equalization Grant, it would likely have an impact in future years. Reduced local earnings would lower the local five mill share, resulting in the state paying a larger portion of QBE education costs. Changes to equalization would be based on district level earnings and averages across the state and are difficult to accurately predict.

Respectfully,

A handwritten signature in blue ink, appearing to read "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in black ink, appearing to read "Richard Dunn".

Richard Dunn, Director
Office of Planning and Budget

GSG/RD/mt

Analysis by the Fiscal Research Center

HB 1116 LC 33 9902S proposes to establish a new local option sales tax intended to provide property tax relief (LHOST). This 1-percent sales tax would be established by counties in one of two ways, either by voter approval of a local referendum or through conversion of certain other taxes by operation of law on January 1, 2028. The existing taxes subject to conversion are as follows:

- Joint county and municipal sales and use tax (LOST)
- Homestead option sales and use tax (HOST)
- Equalized homestead option sales tax (EHOST)
- Revised homestead option sales and use tax (RHOST)

Among these taxes, proceeds from the latter four are dedicated to homestead property tax relief. Proceeds from the LOST are distributed among the county government and municipalities within the county for use in provision of government services. Though the relevant code sections require reporting on property tax bills of the amount of additional property tax that would have been levied to raise revenue equal to that from the LOST, LOST proceeds are general funds of the respective counties and municipalities.

The bill also modifies the special district option sales and use tax (FLOST) to allow voters to approve its conversion into the proposed LHOST. As of April 1, 2026, all but five counties in Georgia have a LOST and 36 of those counties also have a FLOST, according to the Department of Revenue (DOR). Two counties have a HOST or EHOST, and neither of those have a LOST or FLOST. The LHOST proposed in the subject bill is a 1-percent tax, the proceeds of which must first be used for homestead property tax relief until such taxes are fully relieved, at which point it may only be used for relief of tax on non-homestead properties. Only once all real property taxes are fully relieved may proceeds be used for general government purposes. Thus, the bill would impact counties, grouped by their respective combinations of these taxes, as follows:

- 118 counties with a LOST but no other tax listed above, labeled “LOST only” in Table 1, will automatically convert their current LOST into an LHOST effective January 1, 2028, resulting in a tax-rate-neutral swap of a tax funding county and municipal general government for an LHOST to be dedicated to property tax relief.
- 2 counties with a HOST or EHOST (“HOST only” in Table 1) would automatically convert those taxes to an LHOST, a neutral change in terms of both tax rate and use of proceeds for homestead tax relief.
- 36 counties with both a LOST and a FLOST will have one tax providing general funds automatically converted to an LHOST dedicated to property tax relief, and voters would then have the option to convert their FLOST into an LHOST, which would also be dedicated to property tax relief. These counties are categorized in Table 1 as “LOST+FLOST,” and would not have their local sales tax rate impacted by the bill.
- 3 counties do not have any of these local taxes in place at the present time and, subject to local voter approval, would have the option to adopt an LHOST. Those counties are categorized as “COULD PASS” in Table 1.

For all counties, the potential revenue raised from a 1-percent sales tax is provided. These data are based on DOR local distributions from March 2025 through February 2026, the latest 12 months of data available.

Table 1. County Impact on Local Option Sales Taxes (\$ millions)

County	Category	1% LST	County	Category	1% LST
Appling	LOST only	\$6.69	Dougherty	LOST only	\$20.52
Atkinson	LOST only	\$1.09	Douglas	LOST only	\$41.57
Bacon	LOST only	\$2.22	Early	LOST only	\$1.57
Baker	LOST only	\$0.31	Echols	LOST only	\$0.25
Baldwin	LOST only	\$10.52	Effingham	LOST only	\$17.52
Banks	LOST+FLOST	\$4.82	Elbert	LOST+FLOST	\$3.43
Barrow	LOST only	\$21.75	Emanuel	LOST+FLOST	\$4.31
Bartow	LOST only	\$39.53	Evans	LOST+FLOST	\$2.07
Ben Hill	LOST only	\$3.06	Fannin	LOST only	\$10.97
Berrien	LOST+FLOST	\$2.26	Fayette	LOST only	\$40.66
Bibb	LOST only	\$44.52	Floyd	LOST only	\$23.13
Bleckley	LOST only	\$1.99	Forsyth	LOST only	\$64.96
Brantley	LOST only	\$2.21	Franklin	LOST only	\$6.36
Brooks	LOST only	\$1.66	Fulton	LOST only	\$379.53
Bryan	LOST+FLOST	\$14.13	Gilmer	LOST only	\$9.29
Bulloch	LOST+FLOST	\$20.37	Glascocock	LOST only	\$0.34
Burke	LOST only	\$4.82	Glynn	LOST only	\$38.39
Butts	LOST+FLOST	\$8.39	Gordon	LOST+FLOST	\$15.95
Calhoun	LOST only	\$0.51	Grady	LOST only	\$3.88
Camden	LOST only	\$14.31	Greene	LOST only	\$9.04
Candler	LOST+FLOST	\$2.38	Gwinnett	COULD PASS	\$248.65
Carroll	LOST only	\$32.56	Habersham	LOST only	\$10.72
Catoosa	LOST only	\$17.21	Hall	LOST only	\$59.11
Charlton	LOST only	\$1.77	Hancock	LOST only	\$0.81
Chatham	LOST only	\$125.02	Haralson	LOST only	\$6.51
Chattahoochee	LOST+FLOST	\$1.28	Harris	LOST only	\$4.67
Chattooga	LOST+FLOST	\$3.90	Hart	LOST only	\$6.08
Cherokee	COULD PASS	\$70.87	Heard	LOST only	\$5.42
Clarke	LOST only	\$38.73	Henry	LOST only	\$60.90
Clay	LOST+FLOST	\$0.35	Houston	LOST only	\$40.14
Clayton	LOST only	\$74.31	Irwin	LOST only	\$1.00
Clinch	LOST only	\$1.15	Jackson	LOST only	\$24.14
Cobb	COULD PASS	\$219.69	Jasper	LOST+FLOST	\$2.42
Coffee	LOST only	\$10.17	Jeff Davis	LOST only	\$2.96
Colquitt	LOST+FLOST	\$9.06	Jefferson	LOST+FLOST	\$2.73
Columbia	LOST only	\$38.19	Jenkins	LOST only	\$1.16
Cook	LOST+FLOST	\$3.77	Johnson	LOST only	\$0.86
Coweta	LOST+FLOST	\$41.25	Jones	LOST only	\$3.90
Crawford	LOST only	\$1.06	Lamar	LOST+FLOST	\$3.29
Crisp	LOST only	\$6.27	Lanier	LOST only	\$0.98
Dade	LOST only	\$3.87	Laurens	LOST only	\$13.87
Dawson	LOST only	\$14.31	Lee	LOST only	\$5.76
DeKalb	HOST only	\$168.18	Liberty	LOST+FLOST	\$14.40
Decatur	LOST+FLOST	\$6.77	Lincoln	LOST+FLOST	\$1.28
Dodge	LOST only	\$3.06	Long	LOST+FLOST	\$1.51

County	Category	1% LST	County	Category	1% LST
Dooly	LOST only	\$1.56	Lowndes	LOST only	\$35.73
Lumpkin	LOST only	\$7.20	Stephens	LOST only	\$6.01
Macon	LOST only	\$1.76	Stewart	LOST only	\$0.51
Madison	LOST only	\$4.01	Sumter	LOST only	\$5.74
Marion	LOST only	\$0.81	Talbot	LOST only	\$0.99
McDuffie	LOST+FLOST	\$5.13	Taliaferro	LOST only	\$0.23
McIntosh	LOST only	\$2.42	Tattnall	LOST only	\$3.44
Meriwether	LOST only	\$3.10	Taylor	LOST only	\$1.50
Miller	LOST+FLOST	\$0.95	Telfair	LOST only	\$1.46
Mitchell	LOST only	\$3.10	Terrell	LOST only	\$1.33
Monroe	LOST only	\$8.80	Thomas	LOST+FLOST	\$12.31
Montgomery	LOST only	\$1.29	Tift	LOST only	\$13.00
Morgan	LOST only	\$7.48	Toombs	LOST only	\$7.78
Murray	LOST+FLOST	\$7.44	Towns	LOST only	\$3.41
Muscogee	LOST only	\$50.73	Treutlen	LOST only	\$1.03
Newton	LOST only	\$24.52	Troup	LOST only	\$20.56
Oconee	LOST only	\$13.45	Turner	LOST+FLOST	\$1.24
Oglethorpe	LOST+FLOST	\$1.37	Twiggs	LOST only	\$2.78
Paulding	LOST only	\$33.05	Union	LOST only	\$8.23
Peach	LOST+FLOST	\$8.78	Upton	LOST+FLOST	\$5.35
Pickens	LOST only	\$9.54	Walker	LOST only	\$10.11
Pierce	LOST only	\$3.24	Walton	LOST only	\$22.01
Pike	LOST only	\$2.85	Ware	LOST only	\$10.07
Polk	LOST only	\$8.82	Warren	LOST+FLOST	\$1.00
Pulaski	LOST only	\$1.53	Washington	LOST+FLOST	\$5.87
Putnam	LOST only	\$6.26	Wayne	LOST only	\$6.33
Quitman	LOST only	\$0.32	Webster	LOST only	\$0.26
Rabun	LOST only	\$6.52	Wheeler	LOST only	\$0.52
Randolph	LOST only	\$0.98	White	LOST+FLOST	\$8.56
Richmond	LOST only	\$60.95	Whitfield	LOST only	\$26.02
Rockdale	HOST only	\$25.18	Wilcox	LOST only	\$0.90
Schley	LOST+FLOST	\$0.55	Wilkes	LOST+FLOST	\$2.20
Screven	LOST only	\$2.24	Wilkinson	LOST only	\$1.87
Seminole	LOST only	\$1.52	Worth	LOST only	\$2.52
Spalding	LOST only	\$15.35			