HOUSE BLUE-RIBBON STUDY
COMMITTEE ON LOCAL GOVERNMENT
TAXATION, FUNDING AND BUDGETING

Property Taxes and Local Government

Balancing taxpayer affordability, local accountability, and the capacity to sustain essential services.

Andrea Arnold
City Manager
City of Decatur, Georgia

OCTOBER 21, 2026

Distinctly Decatur

25,000
APPROX. RESIDENTS

4.7
SQUARE MILES

8%
COMBINED SALES TAX

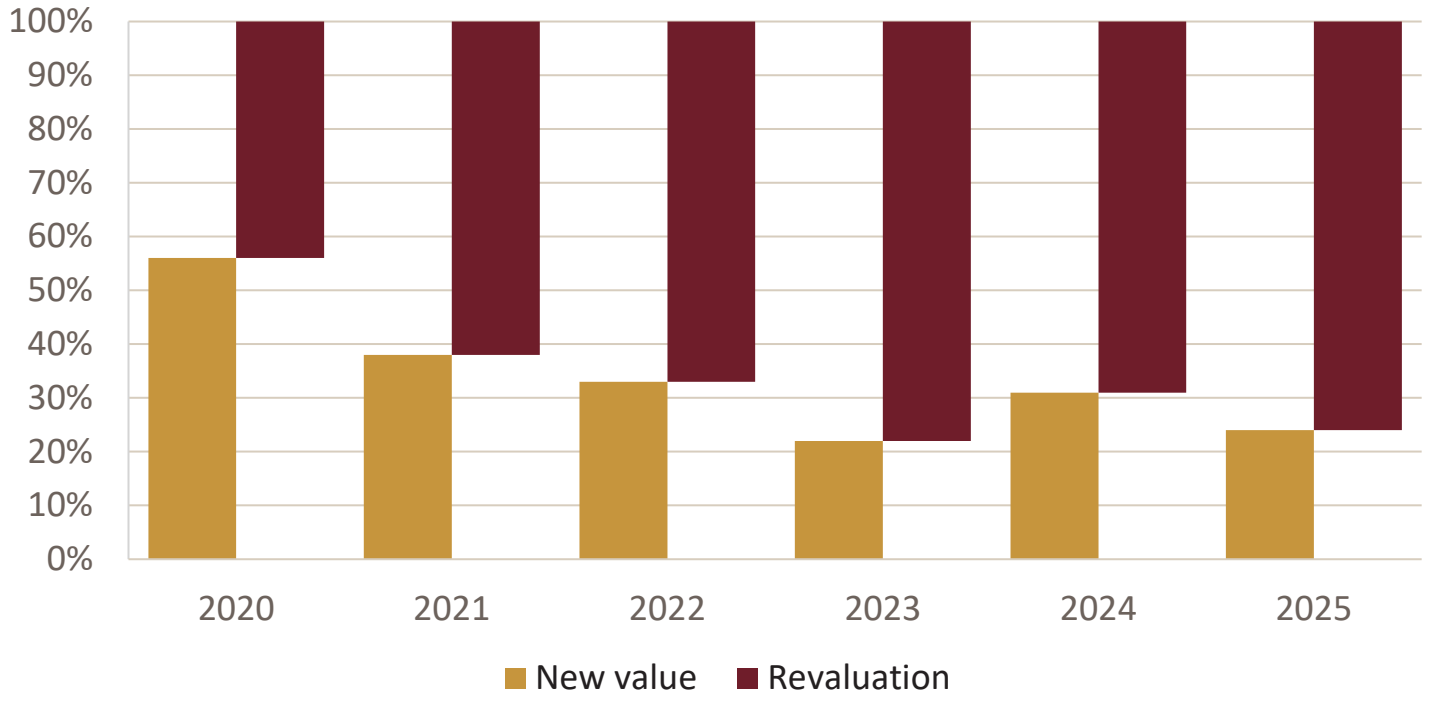
18
CITY MILLAGE CAP

66%
PROPERTY TAX % OF ALL GF REVENUE

STRUCTURAL REALITIES

- Independent city school district • 25-mill cap
- Annexation limitations
- Aging facilities and infrastructure
- Revaluation often exceeds new value
- Residential-heavy tax base
- Limited land for new development

Revaluation—not new value—drives most digest growth



2025 DIGEST MIX

77%
RESIDENTIAL

23%
COMMERCIAL

The mix has remained consistently residential for decades.

Targeted exemptions deliver $3.0M in annual relief

$3,026,184

ESTIMATED ANNUAL LOCAL IMPACT

Exemption	Amount	Households	Assessed value	Local impact
GH-1 2026	$40,000	5,876	$235,040,000	$2,632,448
GH-2 2026	$15,000	1,562	$23,430,000	$262,416
GH-3 2026	$25,000	469	$11,725,000	$131,320

GH-1 All general homestead property owners

GH-2 Age 65+ homestead property owners

GH-3 Age 62+ • income below $60,000

Property Taxes-Benefits and Burdens

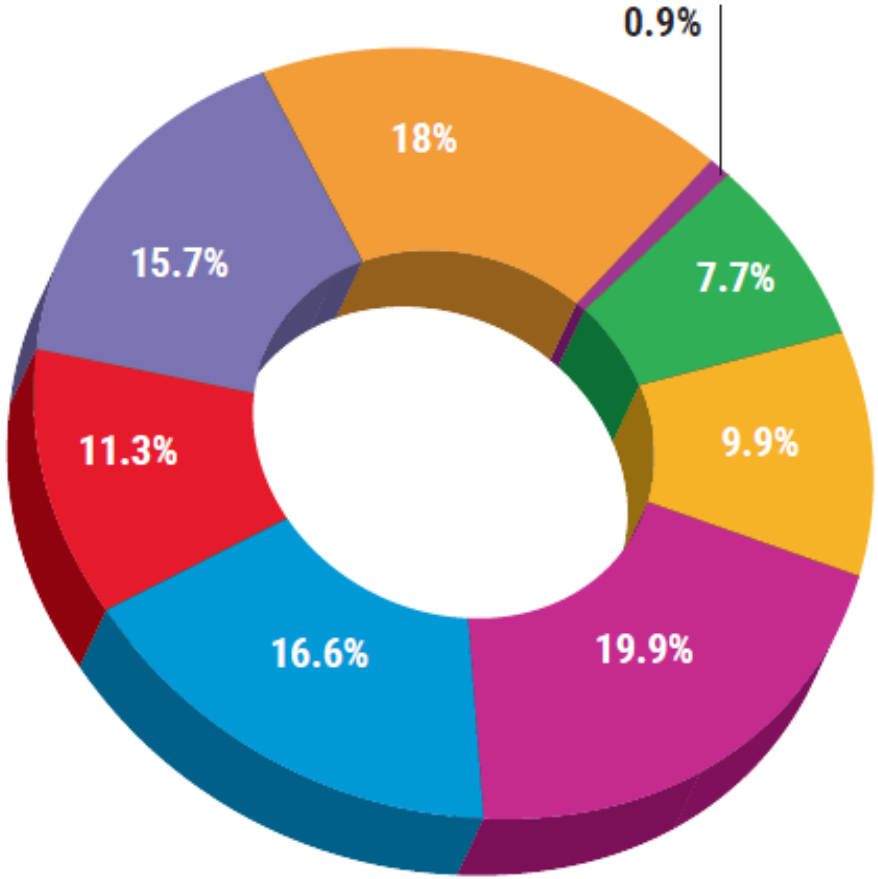
WHAT COMMUNITIES RELY ON

- Reliable and predictable
- Stable
- Local accountability and transparency
- Responsive to community needs

WHAT TAXPAYERS EXPERIENCE

- Ability to pay
- Politically unpopular
- Property ownership at risk

How can Georgia protect taxpayers from unaffordable bills while preserving local governments' ability to provide the quality services residents expect?



General Fund Expenditures

FY 2026-2027 PROPOSED BUDGET

"Where the Money Goes"

DEPARTMENT	AMOUNT	%
Governmental Control	413,960	0.9%
General Government	3,666,510	7.7%
Community & Economic Development	4,683,120	9.9%
Administrative Services	9,463,760	19.9%
Police	7,890,250	16.6%
Fire	5,380,790	11.3%
Public Works	7,467,010	15.7%
Parks & Recreation	8,575,760	18.0%
TOTAL	**$47,541,160**	**100%**

Local Accountability

PUBLIC PROCESS

- 2000, 2010, 2020 strategic plans
- Community-informed vision-based budgets
- Formal and informal public input processes
- Budget adoption
- Millage-rate adoption
- Tax Billing-City and school-district

Strategic Plan Themes

- Collaborative
- Qualitative
- Inclusive
- Quantitative
- Community Involvement
- Creative

CURRENT 2025 PROPERTY TAX DIGEST AND 5 YEAR HISTORY OF LEVY

CITY Area	CITY WIDE	2020	2021	2022	2023	2024	2025
VALUE	Real & Personal	2,331,822,040	2,458,172,462	2,742,962,659	3,141,597,327	3,305,436,717	3,562,360,889
	Motor Vehicles	7,484,850	5,745,638	4,279,180	4,014,460	3,558,900	2,815,730
	Mobile Homes						
	Timber - 100%						
	Heavy Duty Equipment						
	Gross Digest	2,339,306,890	2,463,918,100	2,747,241,839	3,145,611,787	3,308,995,617	3,565,176,619
	Less Exemptions	176,410,320	178,096,610	175,004,712	176,708,850	279,427,619	286,688,596
	NET DIGEST VALUE	2,162,896,570	2,285,821,490	2,572,237,127	2,968,902,937	3,029,567,998	3,278,488,023
RATE	Gross Maintenance & Operation Millage	11.3400	11.4600	10.9700	10.4400	10.9900	11.1500
	Less Rollback (Local Option Sales Tax)						
	NET M&O MILLAGE RATE	11.3400	11.4600	10.9700	10.4400	10.9900	11.1500
TAX	TOTAL M&O TAXES LEVIED	$24,527,247	$26,195,514	$28,217,441	$30,995,347	$33,294,952	$36,555,141
	Net Tax $ Increase	$2,495,875	$1,668,267	$2,021,927	$2,777,905	$2,299,606	$3,260,189
	Net Tax % Increase	12.19%	6.80%	7.72%	9.84%	7.42%	9.79%

Tax Revenue Year Over Year

Year	Total Digest	Millage Rate	Actual Tax Revenue
2020	$2,162,896,570	11.3400	$24,527,247.10
2021	$2,285,821,490	11.4600	$26,195,514.28
2022	$2,572,237,127	10.9700	$28,217,441.28
2023	$2,968,902,937	10.4400	$30,995,346.66
2024	$3,029,567,998	10.9900	$33,294,952.30
2025	$3,278,488,023	11.1500	$36,555,141.46

Cumulative Projected Impact of Capped Revenue

Year	Actual Tax Revenue	Capped Tax Revenue (3% Growth)	Estimated Annual Loss
2021	$26,195,514	$25,263,065	-$932,449.76
2022	$28,217,441	$26,020,956	-$2,196,484.83
2023	$30,995,347	$26,801,585	-$4,193,761.52
2024	$33,294,952	$27,605,633	-$5,689,319.60
2025	$36,555,141	$28,433,802	-$8,121,339.78
			-$21,133,355.48

The city would lose an estimated $21.1 million in revenue from 2021 to 2025 if 3% growth cap.

Impacts of Property Tax Caps

01	BURDEN SHIFTS	Commercial and rental properties shoulder a larger share.
02	RATE PRESSURE	Higher millage rates can amplify non-homestead impacts.
03	MARKET DISTORTION	Slower housing turnover can reduce inventory and increase housing costs.
04	NEW-BUYER INEQUITY	Comparable homes can carry very different taxable values.
05	CREDIT EFFECTS	Reduced debt-service flexibility can raise borrowing costs.

BOTTOM LINE: Capacity to fund essential services and infrastructure projects is constrained.

National Community Survey 2026

Rated as “excellent” or “good”
Fire Services (96%)
Safety in Decatur’s neighborhoods during the day (95%)
Neighborhood as a place to live (95%)
Decatur as a place to live (93%)
Overall quality of life (92%)

FY 26–27 Decatur Budget Priorities

- Downtown Square Transformation
- Comprehensive Plan/Clean Energy Plan Update
- City Website Improvements/ADA Compliance
- Updated Wayfinding Signage
- Safe Streets Action Plan Implementation
- Beautification Efforts Citywide—Keep Decatur Beautiful Program
- First Electric Fire Engine
- Downtown Ambassador Program
- Storm Water Capital Projects
- NOAH Preservation Strategy
- Reduce Speed Limits on City Streets
- Glenlake Tennis Academy
- Unhoused Task Force Appointments
- Sidewalk Maintenance and Construction
- Decatur WatchFest ’26 Event
- Atlanta Avenue Railroad Crossing Improvements
- Expanded and Improved Communications Services
- Telephone System Upgrade
- Energy Savings Performance Contract
- Downtown Parking Enhancements
- Community Emergency Response Team (CERT) Program
- Police Portable Radio Upgrade
- IT Needs Assessment
- Business Retention and Recruitment Services

Sound Property Tax Policy=Four Goals

AFFORDABILITY

Protect residents from unaffordable tax burdens.

FAIRNESS

Ensure accurate assessments and understandable bills.

ACCOUNTABILITY

Make local tax and spending decisions transparent.

ADEQUACY

Maintain stable, reliable revenue for public services.

Targeted relief addresses hardship directly; broad restrictions can weaken local capacity indirectly.

Local revenue.
Local responsibility.
Local results.

ESSENTIAL SERVICES

Property taxes help fund services residents depend on.

LOCAL ACCOUNTABILITY

Local officials answer to the people they serve.

THOUGHTFUL STATE POLICY

Affordability and local fiscal capacity can be addressed together.

"The goal is not unlimited taxing authority. It is a system where local officials are accountable for the taxes they levy, the services they provide, and the choices they make."