

Senate Resolution 14

By: Senators Johnson of the 1<sup>st</sup>, Williams of the 6<sup>th</sup>, Perdue of the 18<sup>th</sup>, Stephens of the 51<sup>st</sup>, Ray of the 48<sup>th</sup> and others

## A RESOLUTION

1 Proposing an amendment to the Constitution so as to authorize, upon approval in a local  
 2 referendum, the freezing of existing residential real property values until such property is  
 3 sold; to provide that following such sale residential real property and interests therein shall  
 4 be appraised for ad valorem taxation purposes at their fair market value as of the date of the  
 5 owner's acquisition thereof; to provide for valuation increases; to provide for conditions and  
 6 limitations; to provide for authority of the General Assembly with respect to the foregoing;  
 7 to provide for the submission of this amendment for ratification or rejection; and for other  
 8 purposes.

9 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

### 10 SECTION 1.

11 Article VII, Section I of the Constitution is amended by striking Paragraph III and inserting  
 12 in its place a new Paragraph III to read as follows:

13 "~~Paragraph III. Uniformity; classification of property; assessment of agricultural land;~~  
 14 ~~utilities. Uniformity; classification of property; assessment of residential real property,~~  
 15 ~~agricultural land, historic property, standing timber, and utilities.~~ (a) All taxes shall be  
 16 levied and collected under general laws and for public purposes only. Except as otherwise  
 17 provided in subparagraphs (b), (b.1), (c), (d), and (e) of this Paragraph, all taxation shall  
 18 be uniform upon the same class of subjects within the territorial limits of the authority  
 19 levying the tax.

20 (b)(1) Except as otherwise provided in this subparagraph (b), classes of subjects for  
 21 taxation of property shall consist of residential real property, other tangible property, and  
 22 one or more classes of intangible personal property, including money; provided, however,  
 23 that any taxation of intangible personal property may be repealed by general law without  
 24 approval in a referendum effective for all taxable years beginning on or after January 1,  
 25 1996.

26 (2) Subject to the conditions and limitations specified by law, each of the following types  
 27 of property may be classified as a separate class of property for ad valorem property tax

1 purposes and different rates, methods, and assessment dates may be provided for such  
2 properties:

3 (A) Trailers;

4 (B) Mobile homes other than those mobile homes which qualify the owner of the home  
5 for a homestead exemption from ad valorem taxation; and

6 (C) Heavy-duty equipment motor vehicles owned by nonresidents and operated in this  
7 state.

8 (3) Motor vehicles may be classified as a separate class of property for ad valorem  
9 property tax purposes, and such class may be divided into separate subclasses for ad  
10 valorem purposes. The General Assembly may provide by general law for the ad  
11 valorem taxation of motor vehicles including, but not limited to, providing for different  
12 rates, methods, assessment dates, and taxpayer liability for such class and for each of its  
13 subclasses and need not provide for uniformity of taxation with other classes of property  
14 or between or within its subclasses. The General Assembly may also determine what  
15 portion of any ad valorem tax on motor vehicles shall be retained by the state. As used  
16 in this subparagraph, the term 'motor vehicles' means all vehicles which are self-  
17 propelled.

18 (b.1) Except as otherwise provided in subparagraphs (c) and (d) of this Paragraph and  
19 unless approved by a majority vote of the qualified electors residing within the limits of the  
20 applicable local taxing jurisdiction voting in a referendum thereon:

21 (1) The value of residential real property and interests therein shall not be changed from  
22 the valuation of such property established for the taxable year immediately preceding the  
23 calendar year in which such local referendum is conducted under this subparagraph  
24 except as a result of new construction, additions, or improvements to the property of the  
25 taxpayer which require a building permit unless such property is sold or transferred to a  
26 person other than the owner's spouse in which event such spouse shall retain the  
27 valuation pursuant to this subparagraph (b.1)(1); and

28 (2) Once transferred or sold as provided in subparagraph (b.1)(1), residential real  
29 property and interests therein shall be appraised for ad valorem taxation purposes at their  
30 fair market value as of the date of the owner's acquisition thereof. Such property shall be  
31 subject to annual revaluation, but any such annual increase in the value of such residential  
32 real property shall not exceed an inflation percentage established by the state revenue  
33 commissioner for the current taxable year. The state revenue commissioner shall  
34 annually establish an inflation percentage to reflect the effect of economic inflation on  
35 individual taxpayers, and for such purpose, the commissioner may use the Consumer  
36 Price Index for all urban consumers published by the Bureau of Labor Statistics of the

1 United States Department of Labor and any other reliable economic indicator determined  
2 by the commissioner to be appropriate.

3 The General Assembly shall be authorized to provide by general law for the  
4 implementation of this subparagraph.

5 (c) Tangible real property, but no more than 2,000 acres of any single property owner,  
6 which is devoted to bona fide agricultural purposes shall be assessed for ad valorem  
7 taxation purposes at 75 percent of the value which other tangible real property is assessed.  
8 No property shall be entitled to receive the preferential assessment provided for in this  
9 subparagraph if the property which would otherwise receive such assessment would result  
10 in any person who has a beneficial interest in such property, including any interest in the  
11 nature of stock ownership, receiving the benefit of such preferential assessment as to more  
12 than 2,000 acres. No property shall be entitled to receive the preferential assessment  
13 provided for in this subparagraph unless the conditions set out below are met:

14 (1) The property must be owned by:

15 (A)(i) One or more natural or naturalized citizens;

16 (ii) An estate of which the devisee or heirs are one or more natural or naturalized  
17 citizens; or

18 (iii) A trust of which the beneficiaries are one or more natural or naturalized citizens;  
19 or

20 (B) A family-owned farm corporation, the controlling interest of which is owned by  
21 individuals related to each other within the fourth degree of civil reckoning, or which  
22 is owned by an estate of which the devisee or heirs are one or more natural or  
23 naturalized citizens, or which is owned by a trust of which the beneficiaries are one or  
24 more natural or naturalized citizens, and such corporation derived 80 percent or more  
25 of its gross income from bona fide agricultural pursuits within this state within the year  
26 immediately preceding the year in which eligibility is sought.

27 (2) The General Assembly shall provide by law:

28 (A) For a definition of the term 'bona fide agricultural purposes,' but such term shall  
29 include timber production;

30 (B) For additional minimum conditions of eligibility which such properties must meet  
31 in order to qualify for the preferential assessment provided for herein, including, but not  
32 limited to, the requirement that the owner be required to enter into a covenant with the  
33 appropriate taxing authorities to maintain the use of the properties in bona fide  
34 agricultural purposes for a period of not less than ten years and for appropriate penalties  
35 for the breach of any such covenant.

1 (3) In addition to the specific conditions set forth in this subparagraph (c), the General  
2 Assembly may place further restrictions upon, but may not relax, the conditions of  
3 eligibility for the preferential assessment provided for herein.

4 (d) The General Assembly shall be authorized by general law to establish as a separate  
5 class of property for ad valorem tax purposes any tangible real property which is listed in  
6 the National Register of Historic Places or in a state historic register authorized by general  
7 law. For such purposes, the General Assembly is authorized by general law to establish  
8 a program by which certain properties within such class may be assessed for taxes at  
9 different rates or valuations in order to encourage the preservation of such historic  
10 properties and to assist in the revitalization of historic areas.

11 (e) The General Assembly shall provide by general law:

12 (1) For the definition and methods of assessment and taxation, such methods to include  
13 a formula based on current use, annual productivity, and real property sales data, of: 'bona  
14 fide conservation use property' to include bona fide agricultural and timber land not to  
15 exceed 2,000 acres of a single owner; and 'bona fide residential transitional property,' to  
16 include private single-family residential owner occupied property located in transitional  
17 developing areas not to exceed five acres of any single owner. Such methods of  
18 assessment and taxation shall be subject to the following conditions:

19 (A) A property owner desiring the benefit of such methods of assessment and taxation  
20 shall be required to enter into a covenant to continue the property in bona fide  
21 conservation use or bona fide residential transitional use; and

22 (B) A breach of such covenant within ten years shall result in a recapture of the tax  
23 savings resulting from such methods of assessment and taxation and may result in other  
24 appropriate penalties;

25 (2) That standing timber shall be assessed only once, and such assessment shall be made  
26 following its harvest or sale and on the basis of its fair market value at the time of harvest  
27 or sale. Said assessment shall be two and one-half times the assessed percentage of value  
28 fixed by law for other real property taxed under the uniformity provisions of  
29 subparagraph (a) of this Paragraph but in no event greater than its fair market value; and  
30 for a method of temporary supplementation of the property tax digest of any county if the  
31 implementation of this method of taxing timber reduces the tax digest by more than 20  
32 percent, such supplemental assessed value to be assigned to the properties otherwise  
33 benefiting from such method of taxing timber.

34 (f) The General Assembly may provide for a different method and time of returns,  
35 assessments, payment, and collection of ad valorem taxes of public utilities, but not on a  
36 greater assessed percentage of value or at a higher rate of taxation than other properties,  
37 except that property provided for in subparagraph (c), (d), or (e)."

**SECTION 2.**

1

2 The above proposed amendment to the Constitution shall be published and submitted as  
3 provided in Article X, Section I, Paragraph II of the Constitution.

4 The ballot submitting the above proposed amendment shall have written or printed thereon  
5 the following:

6 "( ) YES Shall the Constitution be amended so as to authorize, upon approval in a  
7 local referendum, the freezing of existing residential real property values

8 ( ) NO until property is sold and once sold provide that such residential real  
property shall be appraised for ad valorem taxation purposes at fair market  
value as of the date of the owner's acquisition thereof subject only to  
valuation increases at the inflation rate?"

9 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

10 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If  
11 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall  
12 become a part of the Constitution of this state.