

House Bill 992

By: Representative Stephens of the 164<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Code Section 48-5-7.1 of the Official Code of Georgia Annotated, relating to  
2 preferential assessment of tangible real property devoted to bona fide agricultural purposes,  
3 so as to change the conditions of ownership with respect to such property; to provide for a  
4 contingent effective date; to provide for applicability; to provide for automatic repeal under  
5 certain circumstances; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 48-5-7.1 of the Official Code of Georgia Annotated, relating to preferential  
9 assessment of tangible real property devoted to bona fide agricultural purposes, is amended  
10 by striking subsection (b) and inserting in its place a new subsection (b) to read as follows:

11 "(b) No property shall qualify for the preferential ad valorem property tax assessment  
12 provided for in subsection (b) of Code Section 48-5-7 unless it is owned by:

13 ~~(1) It is owned by one or more natural or naturalized citizens; or~~

14 ~~(2) It is owned by a family-farm corporation, the controlling interest of which is owned~~  
15 ~~by individuals related to each other within the fourth degree by civil reckoning, and such~~  
16 ~~corporation derived 80 percent or more of its gross income for the year immediately~~  
17 ~~preceding the year in which application for preferential assessment is made from bona~~  
18 ~~fide agricultural pursuits carried out on tangible real property located in this state, which~~  
19 ~~property is devoted to bona fide agricultural purposes.~~

20 (1) One or more natural or naturalized citizens;

21 (2) An estate of which the devisees or heirs are one or more natural or naturalized  
22 citizens;

23 (3) A trust of which the beneficiaries are one or more natural or naturalized citizens;

24 (4) A family owned farm entity, such as a family corporation, a family partnership, a  
25 family general partnership, a family limited partnership, a family limited corporation, or  
26 a family limited liability company, all of the interest of which is owned by one or more

1 natural or naturalized citizens related to each other by blood or marriage within the fourth  
 2 degree of civil reckoning, except that, solely with respect to a family limited partnership,  
 3 a corporation, limited partnership, limited corporation, or limited liability company may  
 4 serve as a general partner of the family limited partnership and hold no more than a 5  
 5 percent interest in such family limited partnership, an estate of which the devisees or  
 6 heirs are one or more natural or naturalized citizens, or a trust of which the beneficiaries  
 7 are one or more natural or naturalized citizens and which family owned farm entity  
 8 derived 80 percent or more of its gross income from bona fide conservation uses,  
 9 including earnings on investments directly related to past or future bona fide conservation  
 10 uses, within this state within the year immediately preceding the year in which eligibility  
 11 is sought; provided, however, that in the case of a newly formed family farm entity, an  
 12 estimate of the income of such entity may be used to determine its eligibility;  
 13 (5) A bona fide nonprofit conservation organization designated under Section 501(c)(3)  
 14 of the Internal Revenue Code; or  
 15 (6) A bona fide club organized for pleasure, recreation, and other non-profitable purposes  
 16 pursuant to Section 501(c)(7) of the Internal Revenue Code."

## 17 SECTION 2.

18 This Act shall become effective on January 1, 2007; provided, however, that this Act shall  
 19 only become effective on January 1, 2007, upon the ratification of a resolution at the  
 20 November, 2006, state-wide general election, which resolution amends the Constitution so  
 21 as to authorize the conditions of ownership regarding the preferential assessment for property  
 22 which is devoted to bona fide agricultural purposes to be established by general law. If such  
 23 resolution is not so ratified, this Act shall not become effective and shall stand repealed in  
 24 its entirety on January 1, 2007.

## 25 SECTION 3.

26 All laws and parts of laws in conflict with this Act are repealed.