

House Bill 421

By: Representatives Buckner of the 130th, Crawford of the 127th, Benfield of the 85th, Epps of the 128th, and Jamieson of the 28th

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to ad
2 valorem tax treatment of bona fide conservation use property, so as to change certain
3 provisions relating to acreage limits; to change certain provisions relating to eligible property
4 owners; to provide for certain conditions that shall not constitute a breach of covenant; to
5 provide for a contingent effective date; to provide for contingent automatic repeal; to repeal
6 conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to ad valorem tax
10 treatment of bona fide conservation use property, is amended by revising the introductory
11 language of paragraph (1) of subsection (a) as follows:

12 "(1) ~~Not more than 2,000 acres of tangible real~~ Real property of a single owner, without
13 any limitation on acreage, the primary purpose of which property is any good faith
14 production, including but not limited to subsistence farming or commercial production,
15 from or on the land of agricultural products or timber, subject to the following
16 qualifications:"

17

18 **SECTION 2.**

19 Said Code section is further amended by revising subparagraph (a)(1)(C) as follows:

20 "(C) Except as otherwise provided in division (vii) of this subparagraph, such property
21 must be owned by:

22 (i) One or more natural or naturalized citizens;

23 (ii) An estate of which the devisees or heirs are one or more natural or naturalized
24 citizens;

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

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

17 (iv.1) Any person engaged in the production of timber;

18 (v) A bona fide nonprofit conservation organization designated under Section
 19 501(c)(3) of the Internal Revenue Code;

20 (vi) A bona fide club organized for pleasure, recreation, and other nonprofitable
 21 purposes pursuant to Section 501(c)(7) of the Internal Revenue Code; or

22 (vii) In the case of constructed storm-water wetlands, any person may own such
 23 property;"

24 **SECTION 3.**

25 Said Code section is further amended by revising paragraphs (2) and (3) of subsection (p) as
 26 follows:

27 "(2) Allowing all or part of the property subject to the covenant to lie fallow or idle for
 28 purposes of any land conservation program, for purposes of any federal agricultural
 29 assistance program, or for other agricultural or timber management purposes;

30 (3) Allowing all or part of the property subject to the covenant to lie fallow or idle due
 31 to economic or financial hardship or natural disaster if the owner notifies the board of tax
 32 assessors on or before the last day for filing a tax return in the county where the land
 33 lying fallow or idle is located and if such owner does not allow the land to lie fallow or
 34 idle for more than two years of any five-year period;"

