

House Bill 1081

By: Representative O`Neal of the 146<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad  
2 valorem taxation of property, so as to change certain definitions regarding such taxation; to  
3 provide an effective date; to repeal conflicting laws; and for other purposes.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 style="text-align:center">**SECTION 1.**

6 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem  
7 taxation of property, is amended by revising Code Section 48-5-2, relating to definitions  
8 regarding such taxation, as follows:

9 "48-5-2.

10 As used in this chapter, the term:

11 (1) 'Current use value' of bona fide conservation use property means the amount a  
12 knowledgeable buyer would pay for the property with the intention of continuing the  
13 property in its existing use and in an arm's length, bona fide sale and shall be determined  
14 in accordance with the specifications and criteria provided for in subsection (b) of Code  
15 Section 48-5-269.

16 (2) 'Current use value' of bona fide residential transitional property means the amount  
17 a knowledgeable buyer would pay for the property with the intention of continuing the  
18 property in its existing use and in an arm's length, bona fide sale. The tax assessor shall  
19 consider the following criteria, as applicable, in determining the current use value of bona  
20 fide residential transitional property:

21 (A) The current use of such property;

22 (B) Annual productivity; and

23 (C) Sales data of comparable real property with and for the same existing use.

24 (3) 'Fair market value of property' means the amount a knowledgeable buyer would pay  
25 for the property and a willing seller would accept for the property at an arm's length,  
26 bona fide sale. With respect to the valuation of equipment, machinery, and fixtures when

1 no ready market exists for the sale of the equipment, machinery, and fixtures, fair market  
2 value may be determined by resorting to any reasonable, relevant, and useful information  
3 available including, but not limited to, the original cost of the property, any depreciation  
4 or obsolescence, and any increase in value by reason of inflation. Each tax assessor shall  
5 have access to any public records of the taxpayer for the purpose of discovering such  
6 information.

7 (A) In determining the fair market value of a going business where its continued  
8 operation is reasonably anticipated, the tax assessor may value the equipment,  
9 machinery, and fixtures which are the property of the business as a whole where  
10 appropriate to reflect the accurate fair market value.

11 (B) The tax assessor shall consider the following criteria in determining the fair market  
12 value of real property:

13 (i) Existing zoning of property;

14 (ii) Existing use of property, including any restrictions or limitations on the use of  
15 property resulting from state or federal law or rules or regulations adopted pursuant  
16 to the authority of state or federal law;

17 (iii) Existing covenants or restrictions in deed dedicating the property to a particular  
18 use; and

19 (iv) Any other factors deemed pertinent in arriving at fair market value.

20 (B.1) The tax assessor shall not consider any income tax credits with respect to real  
21 property which are claimed and granted pursuant to either Section 42 of the Internal  
22 Revenue Code of 1986, as amended, or Chapter 7 of this title in determining the fair  
23 market value of real property.

24 (C) Fair market value of 'historic property' as such term is defined in subsection (a) of  
25 Code Section 48-5-7.2 means:

26 (i) For the first eight years in which the property is classified as 'rehabilitated historic  
27 property,' the value equal to the greater of the acquisition cost of the property or the  
28 appraised fair market value of the property as recorded in the county tax digest at the  
29 time preliminary certification on such property was received by the county board of  
30 tax assessors pursuant to subsection (c) of Code Section 48-5-7.2;

31 (ii) For the ninth year in which the property is classified as 'rehabilitated historic  
32 property,' the value of the property as determined by division (i) of this subparagraph  
33 plus one-half of the difference between such value and the current fair market value  
34 exclusive of the provisions of this subparagraph; and

35 (iii) For the tenth and following years, the fair market value of such property as  
36 determined by the provisions of this paragraph, excluding the provisions of this  
37 subparagraph.

1 (D) Fair market value of 'landmark historic property' as such term is defined in  
2 subsection (a) of Code Section 48-5-7.3 means:

3 (i) For the first eight years in which the property is classified as 'landmark historic  
4 property,' the value equal to the greater of the acquisition cost of the property or the  
5 appraised fair market value of the property as recorded in the county tax digest at the  
6 time certification on such property was received by the county board of tax assessors  
7 pursuant to subsection (c) of Code Section 48-5-7.3;

8 (ii) For the ninth year in which the property is classified as 'landmark historic  
9 property,' the value of the property as determined by division (i) of this subparagraph  
10 plus one-half of the difference between such value and the current fair market value  
11 exclusive of the provisions of this subparagraph; and

12 (iii) For the tenth and following years, the fair market value of such property as  
13 determined by the provisions of this paragraph, excluding the provisions of this  
14 subparagraph.

15 (E) Timber shall be valued at its fair market value at the time of its harvest or sale in  
16 the manner specified in Code Section 48-5-7.5.

17 (F) Fair market value of 'brownfield property' as such term is defined in subsection (a)  
18 of Code Section 48-5-7.6 means:

19 (i) Unless sooner disqualified pursuant to subsection (e) of Code Section 48-5-7.6,  
20 for the first ten years in which the property is classified as 'brownfield property,' the  
21 value equal to the lesser of the acquisition cost of the property or the appraised fair  
22 market value of the property as recorded in the county tax digest at the time  
23 application was made to the Environmental Protection Division of the Department of  
24 Natural Resources for participation under Article 9 of Chapter 8 of Title 12, the  
25 'Hazardous Sites Reuse and Redevelopment Act,' as amended;

26 (ii) Unless sooner disqualified pursuant to subsection (e) of Code Section 48-5-7.6,  
27 for the eleventh and following years, the fair market value of such property as  
28 determined by the provisions of this paragraph, excluding the provisions of this  
29 subparagraph.

30 (4) 'Foreign merchandise in transit' means personal property of any description which has  
31 been or will be moved by waterborne commerce through any port located in this state  
32 and:

33 (A) Which has entered the export stream, although temporarily stored or warehoused  
34 in the county where the port of export is located; or

35 (B) Which was shipped from a point of origin located outside the customs territory of  
36 the United States and on which United States customs duties are paid at or through any

1 customs district or port located in this state, although stored or warehoused in the  
2 county where the port of entry is located while in transit to a final destination.”

3 **SECTION 2.**

4 This Act shall become effective upon its approval by the Governor or upon its becoming law  
5 without such approval.

6 **SECTION 3.**

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