

Senate Resolution 796

By: Senators Rogers of the 21st, Williams of the 19th, Mullis of the 53rd, Pearson of the 51st, Moody of the 56th and others

A RESOLUTION

1

2 Proposing an amendment to the Constitution so as to provide for ad valorem tax reform; to
3 freeze the valuation of real property except for certain adjustments; to provide for
4 procedures, conditions, and limitations for certain increases; to provide procedures for
5 increasing or decreasing millage rates on taxes for educational purposes; to provide for the
6 submission of this amendment for ratification or rejection; and for other purposes.

7

BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

8

SECTION 1.

9 Article VII, Section I of the Constitution is amended by revising Paragraph III and by adding
10 new Paragraph to read as follows:

11 "Paragraph III. *Uniformity Applicability of uniformity; exceptions; classification of*
12 *property; assessment of agricultural land; conservation use; timber; utilities.* (a) All
13 taxes shall be levied and collected under general laws and for public purposes only. ~~Except~~
14 ~~as otherwise provided in subparagraphs (b), (c), (d), and (e), all~~ All taxation shall be
15 uniform upon the same class of subjects within the territorial limits of the authority levying
16 the tax. This uniformity requirement shall not apply to residential and nonresidential real
17 property.

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22 may be repealed by general law without approval in a referendum effective for all taxable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

24 (2) Subject to the conditions and limitations specified by law, each of the following
25 types of property may be classified as a separate class of property for ad valorem property
26 tax purposes and different rates, methods, and assessment dates may be provided for such
27 properties:

28 (A) Trailers.

1 (B) Mobile homes other than those mobile homes which qualify the owner of the
2 home for a homestead exemption from ad valorem taxation.

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

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

15 (c) ~~Tangible~~ Subject to the limitations of Paragraph IV of this section, tangible real
16 property, but no more than 2,000 acres of any single property owner, which is devoted to
17 bona fide agricultural purposes shall be assessed for ad valorem taxation purposes at 75
18 percent of the value which other tangible real property is assessed. No property shall be
19 entitled to receive the preferential assessment provided for in this subparagraph if the
20 property which would otherwise receive such assessment would result in any person who
21 has a beneficial interest in such property, including any interest in the nature of stock
22 ownership, receiving the benefit of such preferential assessment as to more than 2,000
23 acres. No property shall be entitled to receive the preferential assessment provided for in
24 this subparagraph unless the conditions set out below are met:

25 (1) The property must be owned by:

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

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

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

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

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

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

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

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

13 (d)(1) ~~The~~ Subject to the limitations of Paragraph IV of this section, the General
14 Assembly shall be authorized by general law to establish as a separate class of property
15 for ad valorem tax purposes any tangible real property which is listed in the National
16 Register of Historic Places or in a state historic register authorized by general law. For
17 such purposes, the General Assembly is authorized by general law to establish a program
18 by which certain properties within such class may be assessed for taxes at different rates
19 or valuations in order to encourage the preservation of such historic properties and to
20 assist in the revitalization of historic areas.

21 (2) ~~The~~ Subject to the limitations of Paragraph IV of this section, the General
22 Assembly shall be authorized by general law to establish as a separate class of property
23 for ad valorem tax purposes any tangible real property on which there have been releases
24 of hazardous waste, constituents, or substances into the environment. For such purposes,
25 the General Assembly is authorized by general law to establish a program by which
26 certain properties within such class may be assessed for taxes at different rates or
27 valuations in order to encourage the cleanup, reuse, and redevelopment of such properties
28 and to assist in the revitalization thereof by encouraging remedial action.

29 (e) ~~The~~ Subject to the limitations of Paragraph IV of this section, the General Assembly
30 shall provide by general law:

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

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

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

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

16 (f) The Subject to the limitations of Paragraph IV of this section, the General Assembly
 17 may provide for a different method and time of returns, assessments, payment, and
 18 collection of ad valorem taxes of public utilities, but not on a greater assessed percentage
 19 of value or at a higher rate of taxation than other properties, except that property provided
 20 for in subparagraph (c), (d), or (e) of this Paragraph.

21 Paragraph IV. *Limitations on assessed value increases for real property.* (a)(1) Except
 22 as otherwise provided in this Paragraph, the assessed value of residential real property and
 23 nonresidential real property for all ad valorem tax purposes shall not be increased from the
 24 valuation established for 2007. Additions or improvements to such residential real property
 25 and nonresidential real property shall be appraised for ad valorem tax purposes at their fair
 26 market value and shall be added to the owner's 2007 valuation amount.

27 (2) If such residential real property or nonresidential real property is sold or transferred
 28 to another person, such residential real property or nonresidential real property shall be
 29 appraised for ad valorem tax purposes at fair market value.

30 (3) The 2007 valuation amount for residential real property may be increased during
 31 any taxable year by an amount not to exceed a 2 percent increase in such value. The
 32 2007 valuation of nonresidential real property may be increased during any taxable year
 33 by an amount not to exceed a 3 percent increase in such value.

34 (b) As used in subparagraph (c) of this Paragraph, the term 'established property' means
 35 any individual parcel of residential real property or nonresidential real property which has
 36 not been subdivided or substantially improved, sold, or transferred during the previous 12
 37 month period.

1 (c) The valuations established under subparagraph (a) of this Paragraph may be further
 2 increased, but only under the following conditions:

3 (1) The local taxing jurisdiction shall adopt by majority vote a uniform process for
 4 assessment of residential real property or nonresidential real property. Such process shall
 5 conform to any guidelines set forth by general law and shall provide:

6 (A) A maximum allowable percentage increase from assessed value of established
 7 property during any taxable year;

8 (B) That any individual parcel of residential real property or nonresidential real
 9 property sold or transferred to another person shall be assessed for ad valorem tax
 10 purposes at fair market value; and

11 (C) A maximum allowable percentage increase from one taxable year to another
 12 taxable year of ad valorem tax revenue generated from established property; and

13 (2) Such procedure shall become effective only upon its adoption by an ordinance or
 14 resolution of the governing body of such local taxing jurisdiction and also by a local Act
 15 of the General Assembly conditioned upon approval by a majority vote of the qualified
 16 electors residing within the limits of the local taxing jurisdiction voting in a referendum
 17 thereon.

18 (d) The General Assembly shall be authorized by general law to further define and
 19 implement the provisions of this Paragraph including, but specifically not limited to, a
 20 definition of residential real property and nonresidential real property.

21 (e) The limitations provided for in this Paragraph shall not apply to real property located
 22 in a tax allocation district or to brownfield property."

23 SECTION 2.

24 Article VIII, Section VI of the Constitution is amended by revising Paragraph II as follows:

25 "Paragraph II. ***Increasing or removing decreasing tax rate.*** The mill limitation in effect
 26 ~~on June 30, 1983, provided for under subparagraph (a) of Paragraph I of this section~~ for
 27 any school system may be increased ~~or removed by action of the respective boards of~~
 28 ~~education~~ or decreased but only after such action has been approved by a local Act of the
 29 General Assembly conditioned on approval by a majority of the qualified voters voting
 30 thereon in the particular school system to be affected ~~in the manner provided by law."~~

31 SECTION 3.

32 The above proposed amendment to the Constitution shall be published and submitted as
 33 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 34 above proposed amendment shall have written or printed thereon the following:

1 " YES Shall the Constitution of Georgia be amended so as to provide for ad
2 valorem tax reform, to freeze real property values except for limited
3 NO adjustments but allow future increases if approved by voters in a referendum,
4 and to provide procedures for increasing or decreasing millage rates on taxes
5 for educational purposes?"

6 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
7 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
8 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
9 become a part of the Constitution of this state.