

The House Committee on Ways and Means offers the following substitute to HR 1276:

## A RESOLUTION

1 Proposing an amendment to the Constitution so as to provide for the special assessment and  
 2 taxation of forest land conservation use property; to provide for forest land conservation use  
 3 tax relief adjustments; to provide for procedures, conditions, and limitations; to provide for  
 4 the submission of this amendment for ratification or rejection; and for other purposes.

5 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

### 6 SECTION 1.

7 Article VII, Section I, Paragraph III of the Constitution is amended by revising subparagraph  
 8 (a) as follows:

9 "(a) All taxes shall be levied and collected under general laws and for public purposes  
 10 only. Except as otherwise provided in subparagraphs (b), (c), (d), ~~and (e)~~, and (f) of this  
 11 Paragraph, all taxation shall be uniform upon the same class of subjects within the  
 12 territorial limits of the authority levying the tax."

### 13 SECTION 2.

14 Said Paragraph of the Constitution is further amended by revising subparagraph (f) as  
 15 follows:

16 "(f)(1) The General Assembly shall provide by general law for the definition and  
 17 methods of assessment and taxation, such methods to include a formula based on current  
 18 use, annual productivity, and real property sales data, of 'forest land conservation use  
 19 property' to include only forest land each tract of which exceeds 200 acres of a qualified  
 20 owner. Such methods of assessment and taxation shall be subject to the following  
 21 conditions:

22 (A) A qualified owner shall consist of any individual or individuals or any entity  
 23 registered to do business in this state;

24 (B) A qualified owner desiring the benefit of such methods of assessment and  
 25 taxation shall be required to enter into a covenant to continue the property in forest land  
 26 use;

1       (C) All contiguous forest land conservation use property of an owner within a county  
2       for which forest land conservation use assessment is sought under this subparagraph  
3       shall be in a single covenant;

4       (D) A breach of such covenant within 15 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; and

7       (E) If ownership of all or a part of the forest land conservation use property, which  
8       transferred tract exceeds 200 acres, is acquired during a covenant period by another  
9       qualified owner, then the original covenant may be continued by such acquiring  
10       qualified owner for the remainder of the term, in which event no breach of the covenant  
11       by either the former qualified owner or the acquiring qualified owner shall be deemed  
12       to have occurred even if the total size of a tract from which the transfer was made is  
13       reduced below 200 acres. Following the expiration of such covenant, no new covenant  
14       shall be entered with respect to the tract from which the transfer was made unless such  
15       tract exceeds 200 acres.

16       (2) No portion of an otherwise eligible tract of forest land conservation use property  
17       shall be entitled to receive simultaneously special assessment and taxation under this  
18       subparagraph and either subparagraph (c) or (e) of this Paragraph.

19       (3) For each taxable year, a forest land conservation use tax relief adjustment shall be  
20       applied to the ad valorem property tax bill of a qualified owner on forest land  
21       conservation use property. The amount of such adjustment shall provide a qualified  
22       owner with a benefit equivalent to the difference between the forest land conservation use  
23       value of such property and the forest land fair market value of such property.

24       (4) If the forest land conservation use property is located in a county where the total  
25       tax digest revenue of such county is reduced by more than 3 percent due to the  
26       implementation of this subparagraph, the state shall reimburse the county, each  
27       municipality located therein, and the county or independent school districts located  
28       therein in an amount equal to 100 percent of the difference between the forest land  
29       conservation use value of the property and the fair market value of the property. If the  
30       forest land conservation use property is located in a county where the total tax digest  
31       revenue of such county is reduced by 3 percent or less due to the implementation of this  
32       subparagraph, the state shall reimburse the county, each municipality located therein, and  
33       the county or independent school districts located therein in an amount equal to 50  
34       percent of the difference between the forest land conservation use value of the property  
35       and the fair market value of the property.

1 (5) For purposes of this subparagraph, the forest land conservation use value and forest  
 2 land fair market value shall not include the value of the standing timber located on forest  
 3 land conservation use property.

4 (6) For purposes of this subparagraph, forest land fair market value means the 2008 fair  
 5 market value of the forest land. Such 2008 valuation may increase from one taxable year  
 6 to the next by a rate equal to the percentage change in the price index for gross output of  
 7 state and local government from the prior year to the current year as defined by the  
 8 National Income and Product Accounts and determined by the United States Bureau of  
 9 Economic Analysis and indicated by the Price Index for Government Consumption  
 10 Expenditures and General Government Gross Output (Table 3.10.4).

11 (7) The General Assembly shall appropriate such amount each year for forest land  
 12 conservation use tax relief grants and reimbursement grants. The grants authorized by  
 13 this subparagraph shall be made in such manner and shall be subject to such procedures  
 14 as may be specified by general law.

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

### 19 SECTION 3.

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

23 "( ) YES Shall the Constitution of Georgia be amended so as to provide that the  
 24 General Assembly by general law shall encourage the preservation,  
 25 ( ) NO conservation, and protection of the state's forests through the special  
 26 assessment and taxation of, and tax relief adjustments for, certain forest  
 27 lands?"

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