

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.