

A RESOLUTION

1 Proposing an amendment to the Constitution so as to freeze the valuation of residential and
 2 nonresidential real property except for certain adjustments; to provide for ratification of
 3 certain exemptions and assessment freezes which were previously enacted; to provide for
 4 applicability; to provide for the submission of this amendment for ratification or rejection;
 5 and for other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

9 "Paragraph III. *Uniformity Applicability of uniformity; exceptions; classification of*
 10 *property; assessment of agricultural land; conservation use; timber; utilities.* (a) All
 11 taxes shall be levied and collected under general laws and for public purposes only. Except
 12 as otherwise provided in subparagraphs (b), (c), (d), (e), and (f) of this Paragraph and
 13 Paragraph IV of this section, all taxation shall be uniform upon the same class of subjects
 14 within the territorial limits of the authority levying the tax.

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 19 may be repealed by general law without approval in a referendum effective for all taxable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

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

25 (A) Trailers;
 26

27 (B) Mobile homes other than those mobile homes which qualify the owner of the
 28 home for a homestead exemption from ad valorem taxation; and

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

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

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

51 (1) The property ~~must~~ shall be owned by:

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

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

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

57 (B) A family-owned farm corporation, the controlling interest of which is owned by
 58 individuals related to each other within the fourth degree of civil reckoning, or which
 59 is owned by an estate of which the devisee or heirs are one or more natural or
 60 naturalized citizens, or which is owned by a trust of which the beneficiaries are one or
 61 more natural or naturalized citizens, and such corporation derived 80 percent or more
 62 of its gross income from bona fide agricultural pursuits within this state within the year
 63 immediately preceding the year in which eligibility is sought;

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

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

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

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

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

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

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

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

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

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

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

116 (f)(1) Subject to the limitations of Paragraph IV of this section, the ~~The~~ General
 117 Assembly shall provide by general law for the definition and methods of assessment and
 118 taxation, such methods to include a formula based on current use, annual productivity,
 119 and real property sales data, of 'forest land conservation use property' to include only
 120 forest land each tract of which exceeds 200 acres of a qualified owner. Such methods of
 121 assessment and taxation shall be subject to the following conditions:

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

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

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

130 (D) A breach of such covenant within 15 years shall result in a recapture of the tax
 131 savings resulting from such methods of assessment and taxation and may result in other
 132 appropriate penalties; and

133 (E) The General Assembly may provide by general law for a limited exception to the
 134 200 acre requirement in the case of a transfer of ownership of all or a part of the forest
 135 land conservation use property during a covenant period to another owner qualified to
 136 enter into an original forest land conservation use covenant if the original covenant is
 137 continued by both such acquiring owner and the transferor for the remainder of the

138 term, in which event no breach of the covenant shall be deemed to have occurred even
139 if the total size of a tract from which the transfer was made is reduced below 200 acres.

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

143 (3)(A) The General Assembly shall appropriate an amount for assistance grants to
144 counties, municipalities, and county and independent school districts to offset revenue
145 loss attributable to the implementation of this subparagraph. Such grants shall be made
146 in such manner and shall be subject to such procedures as may be specified by general
147 law.

148 (B) If the forest land conservation use property is located in a county, municipality,
149 or county or independent school district where forest land conservation use value
150 causes an ad valorem tax revenue reduction of 3 percent or less due to the
151 implementation of this subparagraph, in each taxable year in which such reduction
152 occurs, the assistance grants to the county, each municipality located therein, and the
153 county or independent school districts located therein shall be in an amount equal to 50
154 percent of the amount of such reduction.

155 (C) If the forest land conservation use property is located in a county, municipality,
156 or county or independent school district where forest land conservation use value
157 causes an ad valorem tax revenue reduction of more than 3 percent due to the
158 implementation of this subparagraph, in each taxable year in which such reduction
159 occurs, the assistance grants to the county, each municipality located therein, and the
160 county or independent school districts located therein shall be as follows:

161 (i) For the first 3 percent of such reduction amount, in an amount equal to 50
162 percent of the amount of such reduction; and

163 (ii) For the remainder of such reduction amount, in an amount equal to 100 percent
164 of the amount of such remaining reduction amount.

165 (4) Such revenue reduction shall be calculated by utilizing forest land fair market
166 value. For purposes of this subparagraph, forest land fair market value means the 2008
167 fair market value of the forest land. Such 2008 valuation may increase from one taxable
168 year to the next by a rate equal to the percentage change in the price index for gross
169 output of state and local government from the prior year to the current year as defined by
170 the National Income and Product Accounts and determined by the United States Bureau
171 of Economic Analysis and indicated by the Price Index for Government Consumption
172 Expenditures and General Government Gross Output (Table 3.10.4). Such revenue
173 reduction shall be determined by subtracting the aggregate forest land conservation use
174 value of qualified properties from the aggregate forest land fair market value of qualified

175 properties for the applicable tax year and the resulting amount shall be multiplied by the
 176 millage rate of the county, municipality, or county or independent school district.

177 (5) For purposes of this subparagraph, the forest land conservation use value shall not
 178 include the value of the standing timber located on forest land conservation use property.

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

184 Paragraph IV. *Limitations on assessed value increases for real property.* (a)(1) Except
 185 as otherwise provided in this Paragraph, the assessed value of residential real property
 186 and nonresidential real property for all ad valorem tax purposes shall not be increased
 187 from the valuation established for 2010 or, upon its sale or transfer, shall not be increased
 188 from its fair market value established under subparagraph (a)(2) of this Paragraph.
 189 Additions or improvements to such residential real property and nonresidential real
 190 property placed in service after December 31, 2010, shall be valued for ad valorem tax
 191 purposes at their fair market value and shall be added to the owner's valuation amount
 192 under this subparagraph.

193 (2) If such residential real property or nonresidential real property is sold or transferred
 194 to another person, such residential real property or nonresidential real property shall be
 195 valued for ad valorem tax purposes in an amount not to exceed fair market value. For
 196 purposes of this subparagraph, fair market value shall not exceed the sales price of that
 197 property in a bona fide arm's length transaction.

198 (3) The valuation amount under this subparagraph for any individual parcel of
 199 residential or nonresidential real property may be increased during a taxable year by an
 200 amount not to exceed the lesser of 3 percent or the percent change in the rate of economic
 201 inflation on individual taxpayers as determined by the state revenue commissioner. For
 202 such purpose, the state revenue commissioner may use the Consumer Price Index for all
 203 urban consumers published by the Bureau of Labor Statistics of the United States
 204 Department of Labor and any other reliable economic indicator determined by the state
 205 revenue commissioner to be appropriate.

206 (4) The state revenue commissioner shall be authorized to correct any manifest, factual
 207 error in the valuation of real property.

208 (b) The General Assembly shall be authorized by general law to further define and
 209 implement the provisions of this Paragraph, including, but not limited to, the definition of
 210 a sale or transfer of residential real property or nonresidential real property to another
 211 person under subparagraph (a)(2) of this Paragraph IV.

212 (c) Any local or general law providing for base year assessed value homestead
 213 exemptions that freeze the assessment of property with respect to any or all ad valorem
 214 taxes enacted prior to January 1, 2011, shall be ratified expressly; provided, however, that
 215 such ratification shall not be interpreted to imply that such laws were invalid at the time
 216 they became law. The provisions of this Paragraph shall not apply to any homestead's ad
 217 valorem taxes which are the subject of any such general or local law exemption unless such
 218 general law or local law is repealed. In the event of such repeal, the initial valuation
 219 amount of the homestead property for purposes of this Paragraph shall be the taxable value
 220 of such property established as the initial base year assessed value of such property;
 221 provided, however, that in the case of an adjusted base year assessed value homestead
 222 exemption, the initial valuation amount of the homestead property for purposes of this
 223 Paragraph shall be the taxable value of the property established as the most recent adjusted
 224 base year assessed value applicable to such property.

225 (d) This Paragraph shall not apply to real property in any county or consolidated
 226 government for which a local constitutional amendment has been continued in force and
 227 effect as part of this Constitution which freezes ad valorem property taxes with respect to
 228 such real property unless such local constitutional amendment is repealed. In the event of
 229 such repeal, the initial valuation amount of each parcel of residential or nonresidential real
 230 property shall be the most recent taxable value of such parcel as established under such
 231 local constitutional amendment.

232 (e) This Paragraph shall not apply to real property in any county or any county school
 233 district for which a local constitutional amendment has been continued in force and effect
 234 as part of this Constitution which imposes millage rate limitations regarding ad valorem
 235 property taxes with respect to such real property unless such local constitutional
 236 amendment is repealed."

237 **SECTION 2.**

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

241 "() YES Shall the Constitution of Georgia be amended so as to freeze the valuation
 242 of residential and nonresidential real property except for certain adjustments
 243 () NO and to provide for ratification of certain exemptions and assessment freezes
 244 which were previously enacted?"

245 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

246 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If

247 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
248 become a part of the Constitution of this state.