

Senate Bill 239

By: Senators Ginn of the 47th, Watson of the 1st, Beach of the 21st and Mullis of the 53rd

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to ad
2 valorem taxation of bona fide conservation use property, so as to provide for creation of
3 economic development incentive programs; to provide that certain conservation use covenant
4 properties may be utilized for commercial or industrial purposes without penalty if allowed
5 by local ordinance and a local economic development panel; to provide for related matters;
6 to provide for an effective date and applicability; to repeal conflicting laws; and for other
7 purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to ad valorem
11 taxation of bona fide conservation use property, is amended by revising subsection (u) as
12 follows:

13 "(u)(1) The governing authority of each county shall be authorized to establish by
14 ordinance an economic development incentive program to allow the owner of real
15 property which is subject to a covenant established pursuant to this Code section to utilize
16 a portion of such property for industrial or commercial development when certified by
17 an economic development panel as being in the public interest. Within any county
18 establishing such a program, the provisions of this subsection and any ordinance
19 established thereto shall supersede any other conflicting provisions of this Code section.

20 (2)(A) Any ordinance adopted pursuant to paragraph (1) of this subsection shall
21 provide for the creation of an economic development panel for the county which shall
22 consist of five members as follows:

23 (i) A member or delegate of the county governing authority;

24 (ii) A member or delegate of the county board of education;

25 (iii) A member or delegate of the county development authority; provided, however,
26 that if no such authority exists, the county governing authority shall appoint to the

27 panel a person having specialized experience or education in commercial or industrial
 28 development who shall not be a member of such governing authority;

29 (iv) The president of the chamber of commerce of the county; and

30 (v) A delegate of the mayor of any city within the county.

31 (B) Such ordinance shall establish provisions relative to the functioning of the panel
 32 as necessary, including procedures for determining on a case-by-case basis whether a
 33 proposed project is in the public interest.

34 (C) Notwithstanding the provisions of subsection (l) of this Code section, such
 35 ordinance may provide for an optional penalty schedule applicable solely to project
 36 proposals certified in accordance with paragraph (3) of this subsection; provided,
 37 however, that any such penalty shall not exceed the rate provided for in subsection (l)
 38 of this Code section.

39 (3) If a project proposal to utilize a portion of real property subject to a covenant
 40 pursuant to this Code section for industrial or commercial development is certified by the
 41 panel as being in the public interest and such proposal is subsequently undertaken in a
 42 manner which would constitute a breach of the covenant, such covenant shall be
 43 terminated. If any penalty is to be imposed under the ordinance adopted pursuant to
 44 subparagraph (C) of paragraph (2) of this subsection, such penalty shall be applicable to
 45 the entire tract previously subject to such covenant and shall be imposed at the rate
 46 established by such ordinance. Such rate shall be multiplied by the difference between
 47 the total amount of tax paid pursuant to current use assessment under this Code section
 48 and the total amount of taxes which would otherwise have been due under this chapter
 49 for each completed or partially completed year of the covenant period.

50 (4) In the event a covenant is terminated pursuant to this subsection, the remainder of the
 51 tract which was subject to such covenant shall be eligible to enter into a new covenant in
 52 accordance with subsection (h) of this Code section. Reserved."

53 **SECTION 2.**

54 This Act shall become effective on January 1, 2017, and shall apply to all tax years beginning
 55 on or after such date.

56 **SECTION 3.**

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