

House Bill 982

By: Representatives Stephens of the 164<sup>th</sup>, Petrea of the 166<sup>th</sup>, Hitchens of the 161<sup>st</sup>, Stephens of the 165<sup>th</sup>, and Gordon of the 163<sup>rd</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
2 relating to general provisions concerning ad valorem taxation of property, so as to change  
3 certain definitions; to provide for related matters; to repeal conflicting laws; and for other  
4 purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 **SECTION 1.**

7 Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to  
8 general provisions concerning ad valorem taxation of property, is amended by revising  
9 paragraphs (.1) and (3) of Code Section 48-5-2, relating to definitions, as follows:

10 "(.1) 'Arm's length, bona fide sale' means a transaction which has occurred in good faith  
11 without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing  
12 buyer and a willing seller, each acting in his or her own self-interest, including but not  
13 limited to a distress sale, short sale, bank sale, or sale at public auction; provided,  
14 however, that such term shall not include any sale that exceeds the fair market values of  
15 properties in the appraisal neighborhood by three times or more."

16 "(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay  
17 for the property and a willing seller would accept for the property at an arm's length, bona  
18 fide sale. The income approach, if data is are available, shall be considered in  
19 determining the fair market value of income-producing property and, notwithstanding any  
20 provision of this chapter to the contrary, shall be used as the sole method of valuation  
21 where income produced by the property indicates a fair market value of 50 percent or less  
22 compared to the average of fair market values of other properties in the appraisal  
23 neighborhood. Notwithstanding any other provision of this chapter to the contrary, the  
24 transaction amount of the most recent arm's length, bona fide sale in any year shall be the  
25 maximum allowable fair market value for the next taxable year. With respect to the  
26 valuation of equipment, machinery, and fixtures when no ready market exists for the sale

27 of the equipment, machinery, and fixtures, fair market value may be determined by  
28 resorting to any reasonable, relevant, and useful information available, including, but not  
29 limited to, the original cost of the property, any depreciation or obsolescence, and any  
30 increase in value by reason of inflation. Each tax assessor shall have access to any public  
31 records of the taxpayer for the purpose of discovering such information."

32 **SECTION 2.**

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