

The House Committee on Ways and Means offers the following substitute to SB 379:

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 48 of the Official Code of Georgia Annotated, relating to revenue and
2 taxation, so as to change a definition; to provide a clarification of an existing exception to
3 a breach of covenant for bona fide conservation use property; to provide for a new exception
4 to a breach of covenant for bona fide conservation use property; to provide an exemption for
5 fire districts which have elected governing bodies and are supported by ad valorem taxes; to
6 provide for a limited period of time an exemption from state sales and use tax only with
7 respect to certain sales to a qualified job training organization; to provide for procedures,
8 conditions, and limitations; to provide for a sunset date; to provide for related matters; to
9 repeal conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
13 amended in Code Section 48-5-2, relating to definitions concerning ad valorem taxation of
14 property, by revising paragraph (3) as follows:

15 "(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay
16 for the property and a willing seller would accept for the property at an arm's length, bona
17 fide sale. The income approach, if actual income and expense data is available are
18 supplied by the property owner, shall be ~~considered~~ applied in determining the fair
19 market value of income-producing property. For purposes of this paragraph, income and
20 expense data prepared by the commissioner pursuant to Code Section 48-5-269 may be
21 used in addition to actual income and expense data. Notwithstanding any other provision
22 of this chapter to the contrary, the transaction amount of the most recent arm's length,
23 bona fide sale in any year shall be the maximum allowable fair market value for the next
24 taxable year. With respect to the valuation of equipment, machinery, and fixtures when
25 no ready market exists for the sale of the equipment, machinery, and fixtures, fair market
26 value may be determined by resorting to any reasonable, relevant, and useful information

27 available, including, but not limited to, the original cost of the property, any depreciation
 28 or obsolescence, and any increase in value by reason of inflation. Each tax assessor shall
 29 have access to any public records of the taxpayer for the purpose of discovering such
 30 information."

31 SECTION 2.

32 Said title is further amended in Code Section 48-5-7.4, relating to bona fide conservation use
 33 property, residential transitional property, application procedures, penalties for breach of
 34 covenant, classification on tax digest, and annual report, by revising subsection (o) and by
 35 revising subsection (p) by deleting "or" at the end of paragraph (8), by deleting the period
 36 and inserting "; or" at the end of paragraph (9), and by adding a new paragraph to read as
 37 follows:

38 "(o) The transfer of a part of the property subject to a covenant for a bona fide conservation
 39 use shall not constitute a breach of a covenant if:

40 (1) The part of the property so transferred is used for single-family residential purposes,
 41 starting within one year of the date of transfer and continuing for the remainder of the
 42 covenant period, and the residence is occupied within 24 months from the date of the start
 43 by a person who is related within the fourth degree of civil reckoning to an owner of the
 44 property subject to the covenant; and

45 (2) The part of the property so transferred, taken together with any other part of the
 46 property so transferred to the same relative during the covenant period, does not exceed
 47 a total of five acres;

48 and in any such case the property so transferred shall not be eligible for a covenant for bona
 49 fide conservation use, but shall, if otherwise qualified, be eligible for current use
 50 assessment as residential transitional property and the remainder of the property from
 51 which such transfer was made shall continue under the existing covenant until a
 52 terminating breach occurs or until the end of the specified covenant period."

53 "(10) Allowing all or part of the property subject to the covenant to be used to host a not
 54 for profit rodeo event to which spectator admission and participant entry fees are charged
 55 in an amount that in aggregate does not exceed the cost of hosting such event."

56 SECTION 3.

57 Said title is further amended in Code Section 48-8-3, relating to exemptions from sales and
 58 use taxes, by revising paragraph (1) and by deleting "or" at the end of paragraph (95), by
 59 deleting the period and adding "; or" at the end of paragraph (96), and by adding a new
 60 paragraph to read as follows:

61 "(1) Sales to the United States government, this state, any county or municipality of this
 62 state, fire districts which have elected governing bodies and are supported by, in whole
 63 or in part, ad valorem taxes, or any bona fide department of such governments when paid
 64 for directly to the seller by warrant on appropriated government funds;"

65 "(97)(A) For the period beginning July 1, 2017 and ending June 30, 2020, sales of
 66 tangible personal property and services to a qualified job training organization when
 67 such organization obtains an exemption determination letter from the commissioner.

68 (B) For the purposes of this paragraph, the term 'qualified job training organization'
 69 means an organization which:

70 (i) Is located in this state;

71 (ii) Is exempt from income taxation under Section 501(c)(3) of the Internal Revenue
 72 Code;

73 (iii) Specializes in the retail sale of donated items;

74 (iv) Provides job training and employment services to individuals with workplace
 75 disadvantages and disabilities, including, but not limited to, reentry citizens who shall
 76 be persons released from incarceration, persons with disabilities, and veterans; and

77 (v) Uses a majority of its revenues for job training and placement programs.

78 (C)(i) For the purposes of this paragraph, the term 'local sales and use tax' means any
 79 sales tax, use tax, or local sales and use tax which is levied and imposed in an area
 80 consisting of less than the entire state, however authorized, including, but not limited
 81 to, such taxes authorized by or pursuant to constitutional amendment; by or pursuant
 82 to Section 25 of an Act approved March 10, 1965 (Ga. L. 1965, p. 2243), as amended,
 83 the 'Metropolitan Atlanta Rapid Transit Authority Act of 1965'; or by or pursuant to
 84 Article 2, Article 2A, Part 1 or Part 2 of Article 3, Article 4, or Article 5 of this
 85 chapter.

86 (ii) The exemption provided for in subparagraph (A) of this paragraph shall not apply
 87 to any local sales and use tax levied or imposed at any time.

88 (D) Any qualified job training organization which is granted an exemption under this
 89 paragraph shall provide an annual report to the department which contains, but is not
 90 limited to, the following:

91 (i) The number of individuals trained in the program;

92 (ii) The number of individuals employed by the organization after receiving such
 93 training; and

94 (iii) The number of individuals employed in full-time positions outside the
 95 organization after such training.

96 Such data shall be compiled by the department and presented to the House Committee
97 on Ways and Means for consideration prior to any renewal or extension of the
98 exemption provided by this paragraph.

99 (E) The commissioner shall promulgate any rules and regulations necessary to
100 implement and administer this paragraph."

101 **SECTION 4.**

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