

House Bill 285

By: Representative Knight of the 130th

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 regarding ad valorem taxation, so as to revise the criteria used
3 by tax assessors to determine the fair market value of real property; to repeal conflicting
4 laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

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

10 "(B) The tax assessor shall apply the following criteria in determining the fair market
11 value of real property:

12 (i) Existing zoning of property;

13 (ii) Existing use of property, including any restrictions or limitations on the use of
14 property resulting from state or federal law or rules or regulations adopted pursuant
15 to the authority of state or federal law;

16 (iii) Existing covenants or restrictions in deed dedicating the property to a particular
17 use;

18 (iv) Bank sales, other financial institution owned sales, or distressed sales, or any
19 combination thereof, of comparable real property;

20 (v) Decreased value of the property based on limitations and restrictions resulting
21 from the property being in a conservation easement;

22 (vi) Rent limitations, ~~operational requirements~~ higher operating costs caused by
23 regulatory requirements imposed on the property, and any other restrictions imposed
24 upon the property in connection with the property being eligible for any income tax
25 credits ~~described in subparagraph (B.1)~~ with respect to real property which are
26 claimed and granted pursuant to either Section 42 of the Internal Revenue Code of

27 1986, as amended, or Chapter 7 of this paragraph title or receiving any other state or
 28 federal subsidies provided with respect to the use of the property as residential rental
 29 property; provided, however, that ~~such sales of unrestricted market rate properties~~
 30 ~~described in subparagraph (B.1) of this paragraph~~ this division shall not be considered
 31 comparable sales of real property ~~for in the assessment or appeal of assessment of~~
 32 ~~other properties; and~~
 33 (vii) Any income tax credits described in division (vi) of this subparagraph that are
 34 provided to a property owner may be considered in determining the fair market value
 35 of the property provided that the tax assessor uses the market approach to value the
 36 property using comparable sales of property which, at the time of the comparable sale,
 37 had unused income tax credits that were transferred to an arm's length buyer of the
 38 comparable property. The income tax credits described in division (vi) of this
 39 subparagraph are not income to the property for either financial reporting or federal
 40 or state income tax reporting and shall not be considered amounts which are income
 41 for purposes of the income approach for valuing real property; and
 42 ~~(vii)~~(viii) Any other existing factors provided by law or by rule and regulation of the
 43 commissioner deemed pertinent in arriving at fair market value."

44 **SECTION 2.**

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