

House Bill 85 (RULES COMMITTEE SUBSTITUTE)

By: Representatives Powell of the 171st, England of the 116th, McCall of the 33rd, Williams of the 119th, and Greene of the 151st

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 revise definitions related to the value of certain forest land property; to
3 require the assessment of timberland for ad valorem taxation to use an appraisal methodology
4 based on the ability of the property to produce income from timber; to provide for
5 definitions; to provide that the State Revenue Commissioner shall deduct and retain an
6 administrative fee from assistance grants related to forest land conservation use property; to
7 provide for related matters; to provide for a contingent effective date; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
12 amended in Chapter 5, relating to ad valorem taxation of property, by revising paragraphs
13 (5) and (6) of Code Section 48-5-2, relating to definitions, as follows:

14 "(5) 'Forest land conservation use value' of forest land conservation use property means
15 the amount determined in accordance with the specifications and criteria provided for in
16 Code Section 48-5-271 and Article VII, Section I, Paragraph III(f) of the Constitution.

17 (6) 'Forest land fair market value' means the 2008 fair market value of the forest land;
18 ~~provided, however, that when the 2008 fair market value of the forest land has been~~
19 ~~appealed by a property owner and the ultimate fair market value of the forest land is~~
20 ~~changed in the appeal process by either the board of assessors, the board of equalization,~~
21 ~~a hearing officer, an arbitrator, or a superior court judge, then the final fair market value~~
22 ~~of the forest land shall replace the 2008 fair market value of the forest land. This final~~
23 ~~fair market value of the forest land shall be used in the calculation of local assistance~~
24 ~~grants. If local assistance grants have been granted to either a county, a county board of~~
25 ~~education, or a municipality based on the 2008 fair market value of forest land and~~
26 ~~subsequently the fair market value of such forest land is reduced on an appeal, then the~~

27 ~~county or the municipality shall reimburse the state, within 12 months unless otherwise~~
 28 ~~agreed to by the parties, the difference between local assistance grants paid to the county~~
 29 ~~or municipality and the amount which would have been due based on the final fair market~~
 30 ~~value of the forest land. Such 2008 valuation may increase from one taxable year to the~~
 31 ~~next by a rate equal to the percentage change in the price index for gross output of state~~
 32 ~~and local government from the prior year to the current year as defined by the National~~
 33 ~~Income and Product Accounts and determined by the United States Bureau of Economic~~
 34 ~~Analysis and indicated by the Price Index for Government Consumption Expenditures~~
 35 ~~and General Government Gross Output (Table 3.10.4)."~~

36 **SECTION 2.**

37 Said title is further amended in said chapter by adding a new article to read as follows:

38 "ARTICLE 13

39 48-5-600.

40 As used in this article, the term:

41 (1) 'Qualified owner' means an individual or entity that meets the conditions of Code
 42 Section 48-5-602.

43 (2) 'Qualified timberland property' means timberland property that meets the conditions
 44 of Code Section 48-5-603.

45 (3) 'Timberland property' means tangible real property that has as its primary use the
 46 production of trees for the primary purpose of producing timber for commercial uses.

47 48-5-601.

48 (a) Qualified timberland property shall be assessed for ad valorem taxation by an appraisal
 49 methodology restricted to determining the fair market value of property based upon the
 50 ability of the property to generate income from the production of timber for commercial
 51 uses.

52 (b) The commissioner shall prescribe such appraisal methodology in accordance with this
 53 Code section on June 1, 2019, and annually thereafter. Published appraisal methodologies
 54 shall apply to the tax year following the tax year in which they are published. This annual
 55 publication requirement shall not be construed to require annual adjustments, revisions, or
 56 modifications to the appraisal methodology.

57 (c) The commissioner shall have access to qualified timberland property for the purpose
 58 of conducting appraisals, provided that prior notice has been provided to the qualified
 59 owner of such property.

60 (d) A taxpayer or a county board of tax assessors may challenge the commissioner's
 61 methodology prescribed pursuant to subsection (b) of this Code section with an appeal to
 62 the Georgia Tax Tribunal in accordance with Chapter 13A of Title 50 within 30 days of the
 63 commissioner's publication of such methodology. The Georgia Tax Tribunal shall issue
 64 a final decision on the appeal on or before September 1 of the year in which an appeal is
 65 filed.

66 48-5-602.

67 The commissioner shall certify as a qualified owner any individual or entity registered to
 68 do business in this state that is engaged in the production of trees for the primary purpose
 69 of producing timber for commercial uses, provided that such individual or entity:

70 (1) Registers with the commissioner; and

71 (2) Certifies to the commissioner that such individual or entity is engaged in the
 72 production of trees for the primary purpose of producing timber for commercial uses.

73 48-5-603.

74 (a) The commissioner shall certify as qualified timberland property any timberland
 75 property that is titled to a qualified owner, provided that such qualified owner:

76 (1) Submits a list of all parcels to the commissioner that contain timberland property and
 77 that identify the specific portions of such parcels that are timberland property; and

78 (2) Certifies that such qualified owner does not intend to develop or sell for development
 79 any portion of such timberland property as residential property of 20 acres or less.

80 (b) The list provided for in subsection (a) of this Code section shall be certified by the
 81 qualified owner and shall be updated annually.

82 (c) The commissioner shall be authorized to conduct an audit of any list submitted
 83 pursuant to this Code section.

84 48-5-604.

85 The commissioner shall prescribe forms and shall be authorized to promulgate rules and
 86 regulations necessary to implement this article."

87 **SECTION 3.**

88 Said title is further amended in Chapter 5A, relating to special assessment of forest land
 89 conservation use property, by adding a new Code section to read as follows:

90 "48-5A-5.

91 Pursuant to Article VII, Section I, Paragraph III(f) of the Constitution, the commissioner
 92 shall deduct and retain an amount equal to 3 percent of an assistance grant upon

93 distribution of such assistance grant to a county, municipality, or county or independent
94 school district as an administrative fee to provide for the costs of administering this
95 chapter."

96

SECTION 4.

97 (a) This Act shall become effective on January 1, 2019, only if an amendment to the
98 Constitution of Georgia is ratified at the November, 2018, general election removing the
99 constitutional prescription for establishing forest land fair market value, permitting the
100 withholding of a portion of assistance grants to provide for the costs to the state of
101 administering the appraisal of forest land conservation use property, and establishing
102 timberland as a subclassification of tangible property for purposes of ad valorem taxation.
103 (b) If such an amendment to the Constitution is not so ratified, then this Act shall not
104 become effective and shall stand repealed by operation of law on January 1, 2019.

105

SECTION 5.

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