

House Bill 285 (COMMITTEE SUBSTITUTE)

By: Representative Knight of the 130<sup>th</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 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 **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 resulting from  
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~~ properties described in ~~subparagraph (B.1) of~~  
 30 ~~this paragraph~~ this division shall not be considered comparable real property for the  
 31 assessment or appeal of assessment of ~~other~~ properties not covered by this division;  
 32 and

33 (vii)(I) In establishing the value of any property subject to rent restrictions under  
 34 the sales comparison approach, any income tax credits described in division (vi) of  
 35 this subparagraph that are attributable to a property may be considered in  
 36 determining the fair market value of the property provided that the tax assessor uses  
 37 comparable sales of property which, at the time of the comparable sale, had unused  
 38 income tax credits that were transferred in an arm's length bona fide sale.

39 (II) In establishing the value of any property subject to rent restrictions under the  
 40 income approach, any income tax credits described in division (vi) of this  
 41 subparagraph that are attributable to property may be considered in determining the  
 42 fair market value of the property provided that such income tax credits generate  
 43 actual income to the record holder of title to the property; and

44 ~~(vii)~~(viii) Any other existing factors provided by law or by rule and regulation of the  
 45 commissioner deemed pertinent in arriving at fair market value."

46 **SECTION 2.**

47 All laws and parts of laws in conflict with this Act are repealed.