A RESOLUTION

Proposing an amendment to the Constitution so as to revise provisions subclassifying forest land conservation use property for ad valorem taxation purposes; to revise the prescribed methodology for establishing the value of forest land conservation use property and related assistance grants; to permit increases to assistance grants by general law up to a five-year period; to permit the deduction and retention of a portion of assistance grants related to forest land conservation use property; to permit the subclassification of qualified timberland property for ad valorem taxation purposes; to provide for related matters; to provide for the submission of this amendment for ratification or rejection; and for other purposes.

BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

Article VII, Section I, Paragraph III of the Constitution is amended by revising subparagraph (f) and by adding a new subparagraph to read as follows:

(f)(1) The General Assembly shall provide by general law for the definition and methods of assessment, and taxation, such methods to include a formula based on current use, annual productivity, and real property sales data, of 'forest land conservation use property' to include only forest land each tract of which exceeds 200 acres of a qualified owner. Such methods of assessment and taxation shall be subject to the following conditions: of at least 200 acres in aggregate which lies within one or more counties, provided that such forest land is in parcels of at least 100 acres within any given county.

(2)(A) A qualified owner shall consist of any individual or individuals or any entity registered to do business in this state;

(B) A qualified owner desiring the benefit of such methods of assessment and taxation for forest land conservation use property shall be required to enter into a covenant to continue the property in forest land use;

(C)(B) All contiguous forest land conservation use property of an owner within a county for which forest land conservation use assessment is sought under this subparagraph shall be in a single covenant.
A breach of such covenant within ten years shall result in a recapture of the tax savings resulting from such methods of assessment and taxation and may result in other appropriate penalties; and,

The General Assembly may provide by general law for a limited exception to the 200 acre requirement in the case of a transfer of ownership of all or a part of the forest land conservation use property during a covenant period to another owner qualified to enter into an original forest land conservation use covenant if the original covenant is continued by both such acquiring owner and the transferor for the remainder of the term, in which event no breach of the covenant shall be deemed to have occurred even if the total size of a tract from which the transfer was made is reduced below 200 acres.

No portion of an otherwise eligible tract of forest land conservation use property shall be entitled to receive simultaneously special assessment and taxation under this subparagraph and either subparagraph (c) or (e) of this Paragraph.

The General Assembly shall appropriate an amount for assistance grants to counties, municipalities, and county and independent school districts to offset revenue loss attributable to the implementation of this subparagraph. Such grants shall be made in such manner and shall be subject to such procedures as may be specified by general law. For the years 2019, 2020, 2021, 2022, and 2023, the value of the assistance grants may be increased by general law beyond the amounts prescribed by this subparagraph.

If the forest land conservation use property is located in a county, municipality, or county or independent school district where forest land conservation use value causes an ad valorem tax revenue reduction of 3 percent or less due to the implementation of this subparagraph, in each taxable year in which such reduction occurs, the assistance grants to the county, each municipality located therein, and the county or independent school districts located therein shall be in an amount equal to 50 percent of the amount of such reduction.

If the forest land conservation use property is located in a county, municipality, or county or independent school district where forest land conservation use value causes an ad valorem tax revenue reduction of more than 3 percent due to the implementation of this subparagraph, in each taxable year in which such reduction occurs, the assistance grants to the county, each municipality located therein, and the county or independent school districts located therein shall be as follows: for the first 3 percent of such reduction amount, in an amount equal to 50 percent of the amount of such reduction; and, for
(ii) For the remainder of such reduction amount, in an amount equal to 100 percent of the amount of such remaining reduction amount.

(4) Such revenue reduction shall be calculated by utilizing forest land fair market value. For purposes of this subparagraph, forest land fair market value means the 2008 fair market value of the forest land. Such 2008 valuation may increase from one taxable year to the next by a rate equal to the percentage change in the price index for gross output of state and local government from the prior year to the current year as defined by the National Income and Product Accounts and determined by the United States Bureau of Economic Analysis and indicated by the Price Index for Government Consumption Expenditures and General Government Gross Output (Table 3.10.4):

(C)(i) Such revenue reduction shall be determined by subtracting the aggregate forest land conservation use value of qualified properties from the aggregate forest land fair market value of qualified properties for the applicable tax year and the resulting amount shall be multiplied by the millage rate of the county, municipality, or county or independent school district.

(5)(ii) For purposes of this subparagraph, the forest land conservation use value shall not include the value of the standing timber located on forest land conservation use property.

(iii) For the purposes of this subparagraph, forest land fair market value means the fair market value of the forest land as determined in 2016, provided that such value shall change in 2019 and every three years thereafter to the fair market value of forest land as determined in such year.

(D) Notwithstanding subparagraph (a) of Paragraph VI of Section IX of Article III of this Constitution, the General Assembly may provide by general law for a fee, not to exceed 5 percent, to be deducted from such assistance grants and retained by the state revenue commissioner to provide for the costs to the state of administering the provisions of subparagraph (f.1) of this Paragraph.

(f.1)(1)(A) The General Assembly shall be authorized by general law to establish a separate class of property for ad valorem taxation purposes that includes only tangible real property that has as its primary use the production of trees for the primary purpose of producing timber for commercial uses and that meets such further requirements as may be prescribed by general law. Such property shall be known as 'qualified timberland property.'

(B) The value of qualified timberland property shall be at least 175 percent of such property's forest land conservation use value as determined pursuant to subparagraph (f) of this Paragraph.
(2) The only two purposes authorized by the subclassification of qualified timberland property as provided by this subparagraph shall be to allow the General Assembly by general law to:

(A) Provide that the Department of Revenue shall appraise qualified timberland property at its fair market value using any combination of appraisal methodologies otherwise provided by general law for establishing the fair market value of real property, provided that such methodology is not subject to an exception authorized by subparagraph (b), (c), (d), (e), (f), or (g) of this Paragraph; and

(B) Authorize the General Assembly to provide for a separate system by which to appeal appraisals of and determinations made related to qualified timberland property.

SECTION 2.

The above proposed amendment to the Constitution shall be published and submitted as provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the above proposed amendment shall have written or printed thereon the following:

"( ) YES Shall the Constitution of Georgia be amended so as to revise provisions related to the subclassification for tax purposes of and the prescribed methodology for establishing the value of forest land conservation use property and related assistance grants, to provide that assistance grants related to forest land conservation use property may be increased by general law for a five-year period and that up to 5 percent of assistance grants may be deducted and retained by the state revenue commissioner to provide for certain state administrative costs, and to provide for the subclassification of qualified timberland property for ad valorem taxation purposes?"

All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

All persons desiring to vote against ratifying the proposed amendment shall vote "No." If such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall become a part of the Constitution of this state.