

House Bill 406

By: Representatives Williamson of the 115th and Powell of the 171st

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 and Title 48 of the Official Code of Georgia Annotated, relating to local
2 government and revenue and taxation, respectively, so as to require joint authorities to
3 furnish certain information necessary for the state auditor to determine the net impact of their
4 activities on associated tax digests; to require the use of such net impact to determine
5 equalized adjusted property tax digests; to provide for rules and regulations; to provide for
6 related matters; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
10 in Code Section 36-62-5.1, relating to joint authorities, by adding a new subsection to read
11 as follows:

12 “(g)(1) Each joint authority shall furnish to the state revenue commissioner and the state
13 auditor by July 15, 2019, and annually thereafter:

14 (A) A statement that identifies and separately states all real property and all property
15 interests that are owned, in part or in full, by such joint authority together with the
16 nature of any encumbrances, liens, or covenants on such property;

17 (B) A complete copy of all current or pending agreements or contracts related to such
18 joint authority that are between or among one or more counties, municipalities, joint
19 authorities, or private parties that references matters related to taxation, payments in
20 lieu of taxation, tax abatements, leasehold interests or estates, leaseback agreements,
21 or the sharing of revenue, funds, fees, taxes, assessments, fines, or any other income;
22 and

23 (C) All additional information determined by the state revenue commissioner or state
24 auditor to be necessary to accurately determine the net taxable digest of each county or
25 municipality participating in such joint authority and any affected school district.

26 (2) The information compiled by the state auditor pursuant to this subsection shall be
 27 utilized in determining any equalized adjusted property tax digest prepared pursuant to
 28 Code Section 48-5-274.

29 (3) On or before September 1, 2019, and annually thereafter, a report that compiles the
 30 information gathered by the state auditor and that sets out the net impact of the total
 31 activities of the joint authority on the tax digest of each affected taxing jurisdiction shall
 32 be furnished to the tax commissioner of each affected county, to the governing authority
 33 of each affected county or municipality, to each affected local board of education, and to
 34 the State Board of Education. Each tax commissioner shall utilize such net impact to
 35 adjust the net assessed value of each of his or her taxing jurisdictions in order to fully
 36 account for activities of any joint authority in digest values submitted pursuant to Code
 37 Sections 48-5-32 and 48-5-32.1.

38 (4) The state revenue commissioner and the state auditor shall be authorized to:

39 (A) Conduct audits of any joint authority subject to the requirements of this subsection;
 40 and

41 (B) Promulgate rules and regulations necessary to administer, implement, and enforce
 42 this Code section."

43 **SECTION 2.**

44 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
 45 amended in Code Section 48-5-274, relating to establishment of equalized adjusted property
 46 tax digest, establishment and use of average ratio, information to be furnished by state
 47 auditor, grievance procedure, and information to be furnished by commissioner, by revising
 48 subsection (b) as follows:

49 "(b) The state auditor shall establish on a continuing basis, no later than November 15 in
 50 each year, an equalized adjusted property tax digest for each county in the state and for the
 51 state as a whole for the current calendar year. Such digest shall exclude all real and
 52 personal property exempted from taxation and the difference between the value of all
 53 taxable property within any tax allocation district and the tax allocation increment base of
 54 such tax allocation district as defined under paragraph (15) of Code Section 36-44-3 for
 55 which consent has been obtained pursuant to Code Section 36-44-9. The state auditor may
 56 establish a unit within the Department of Audits and Accounts consisting of such number
 57 of personnel as is deemed necessary in order to establish and maintain on a continuing
 58 basis the equalized adjusted property tax digest. The equalized adjusted property tax digest
 59 shall be established and maintained as follows:

60 (1) Determine the locally assessed valuation of the county property tax assessment digest
 61 for the preceding calendar year, exclusive of real and personal property exempted from

62 taxation, exclusive of the difference between the value of all taxable property within any
 63 tax allocation district and the tax allocation increment base of such tax allocation district
 64 as defined under paragraph (15) of Code Section 36-44-3 for which consent has been
 65 obtained pursuant to Code Section 36-44-9, exclusive of railroad equipment company
 66 property shown on the county railroad equipment company property tax digest, exclusive
 67 of any property subject to current use valuation on the county property tax digest, and
 68 exclusive of the locally assessed valuation of timber harvested or sold;

69 (2) Determine the fair market value for timber harvested or sold during the calendar year;

70 (3) Divide the sum of the locally assessed valuation of the county property tax
 71 assessment digest under paragraph (1) of this subsection by the ratio of assessed value to
 72 fair market value of the property established by the state auditor in accordance with
 73 paragraph (8) of this subsection;

74 (4) Determine the fair market value of the county railroad equipment company property
 75 tax digest for the preceding calendar year;

76 (5) Determine the sum of the current use valuation of the county property tax digest;

77 (6) Determine the total fair market value of the Public Utility Digest as established by
 78 the commissioner;

79 (6.1) Determine any adjustment necessary to account for the net activities on any digest
 80 due to the activities of a joint authority as provided in Code Section 36-62-5.1;

81 (7) The total of the sums obtained through the calculations prescribed in paragraphs (2),
 82 (3), (4), (5), ~~and (6)~~, and (6.1) of this subsection shall be known as the current equalized
 83 adjusted property tax digest of the county. The sum of the current equalized adjusted
 84 property tax digest of all counties of the state combined shall be known as the current
 85 equalized adjusted property tax digest for the state as a whole; and

86 (8) Establish for each county in the state the ratio of assessed value to fair market value
 87 of county property subject to taxation, excluding railroad equipment company property.
 88 The ratio shall be determined by establishing the ratio of assessed value to sales price for
 89 each of a representative number of parcels of real property, the titles to which were
 90 transferred during a period of time to be determined by the state auditor, and then by
 91 establishing the measure of central tendency for the county as a whole based upon a
 92 representative number of usable transactions studied. Any such sales price shall be
 93 adjusted upward or downward, in a manner consistent with the Standard on Ratio Studies
 94 published by the International Association of Assessing Officers or its successors, as
 95 reasonably needed to account for the effects of price changes reflected in the market
 96 between the date of sale and January 1 of the calendar year for which the equalized
 97 adjusted property tax digest is being prepared. Sales prices also shall be reduced by any
 98 portion thereof attributable to personal property, real property exempt from taxation, or

99 standing timber included in the sales transaction. The representative number of
100 transactions shall not include any parcel of which the sales price is not reflective of the
101 fair market value of such property as fair market value is defined in Code Section 48-5-2.
102 The state auditor shall supplement realty sales price data available in any county with
103 actual appraisals of a representative number of parcels of farm property and industrial and
104 commercial property located within the county, the titles to which were not transferred
105 within the period of time determined by the state auditor. The state auditor may make
106 appraisals on other types of real property located within the county when adequate realty
107 sales data cannot be obtained on such property. The representative number of parcels of
108 each class of real property as defined by the commissioner used for the study shall be
109 determined by the state auditor. The state auditor may use the same ratio for other
110 personal property, excluding motor vehicles, within the county as is finally determined
111 for real property within the county."

112 **SECTION 3.**

113 This Act shall become effective upon its approval by the Governor or upon its becoming law
114 without such approval.

115 **SECTION 4.**

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