

The House Committee on Ways and Means offers the following substitute to HB 406:

A BILL TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.

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

"(g)(1) By May 15, 2019, and then by February 15, 2020, and annually thereafter, each joint authority shall furnish to the state revenue commissioner and the state auditor:

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

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

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

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

(3) On or before July 1, 2019, and then on or before April 1, 2020, and annually thereafter, a report that compiles the information gathered by the state auditor and that sets out the net impact of the total activities of the joint authority on the tax digest of each affected taxing jurisdiction shall be furnished to the tax commissioner of each affected county, to the governing authority of each affected county or municipality, to each affected local board of education, to the joint development authority, and to the State Board of Education. Each tax commissioner shall utilize such net impact to adjust the net assessed value of each of his or her taxing jurisdictions in order to fully account for activities of any joint authority in digest values submitted pursuant to Code Sections 48-5-32 and 48-5-32.1.

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

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

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

SECTION 2.

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

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

(1) Determine the locally assessed valuation of the county property tax assessment digest for the preceding calendar year, exclusive of real and personal property exempted from taxation, exclusive of the difference between the value of all taxable property within any tax allocation district and the tax allocation increment base of such tax allocation district as defined under paragraph (15) of Code Section 36-44-3 for which consent has been obtained pursuant to Code Section 36-44-9, exclusive of railroad equipment company property shown on the county railroad equipment company property tax digest, exclusive of any property subject to current use valuation on the county property tax digest, and exclusive of the locally assessed valuation of timber harvested or sold;

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

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

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

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

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

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

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

(8) Establish for each county in the state the ratio of assessed value to fair market value of county property subject to taxation, excluding railroad equipment company property. The ratio shall be determined by establishing the ratio of assessed value to sales price for each of a representative number of parcels of real property, the titles to which were transferred during a period of time to be determined by the state auditor, and then by establishing the measure of central tendency for the county as a whole based upon a representative number of usable transactions studied. Any such sales price shall be adjusted upward or downward, in a manner consistent with the Standard on Ratio Studies published by the International Association of Assessing Officers or its successors, as reasonably needed to account for the effects of price changes reflected in the market between the date of sale and January 1 of the calendar year for which the equalized

adjusted property tax digest is being prepared. Sales prices also shall be reduced by any portion thereof attributable to personal property, real property exempt from taxation, or standing timber included in the sales transaction. The representative number of transactions shall not include any parcel of which the sales price is not reflective of the fair market value of such property as fair market value is defined in Code Section 48-5-2. The state auditor shall supplement realty sales price data available in any county with actual appraisals of a representative number of parcels of farm property and industrial and commercial property located within the county, the titles to which were not transferred within the period of time determined by the state auditor. The state auditor may make appraisals on other types of real property located within the county when adequate realty sales data cannot be obtained on such property. The representative number of parcels of each class of real property as defined by the commissioner used for the study shall be determined by the state auditor. The state auditor may use the same ratio for other personal property, excluding motor vehicles, within the county as is finally determined for real property within the county."

SECTION 3.

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

SECTION 4.

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