

House Bill 498

By: Representatives Watson of the 172<sup>nd</sup>, Dickey of the 140<sup>th</sup>, LaHood of the 175<sup>th</sup>, England of the 116<sup>th</sup>, and Pirkle of the 155<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia  
2 Annotated, relating to property tax exemptions, so as to expand an exemption for agricultural  
3 equipment and certain farm products held by certain entities to include entities comprising  
4 two or more family owned farm entities; to add dairy products and unfertilized eggs of  
5 poultry as qualified farm products with respect to such exemption; to provide for a  
6 referendum; to provide for effective dates, applicability, and automatic repeal; to provide for  
7 compliance with constitutional requirements; to provide for related matters; to repeal  
8 conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,  
12 relating to property tax exemptions, is amended by revising Code Section 48-5-41.1, relating  
13 to exemption of qualified farm products and harvested agricultural products from taxation,  
14 as follows:

15 "48-5-41.1.

16 (a) As used in this Code section, the term:

H. B. 498

17 (1) 'Agricultural equipment' means farm tractors, combines, and all other farm equipment  
 18 other than motor vehicles, whether fixed or mobile, which are owned by or held under  
 19 a lease-purchase agreement and directly used in the production of farm products by a  
 20 family owned qualified farm products producer.

21 (2) 'Family owned farm entity' means an entity that has derived 80 percent or more of its  
 22 gross income from bona fide agricultural uses within this state within the year  
 23 immediately preceding the year in which the exemption provided by this Code section  
 24 is sought and that is organized as:

25 (A) A a family corporation, a family partnership, a family general partnership, a family  
 26 limited partnership, a family limited corporation, or a family limited liability company  
 27 all of the interest of which is owned by one or more natural or naturalized citizens  
 28 related to each other within the fourth degree of civil reckoning;

29 (B) An entity created by the merger or consolidation of two or more entities that would  
 30 qualify independently as a family owned farm entity as defined in subparagraph (A) of  
 31 this paragraph;

32 (C) ~~An It shall include an~~ estate of which the devisees or heirs are one or more natural  
 33 or naturalized citizens related to each other within the fourth degree of civil reckoning;  
 34 or

35 (D) ~~A It shall include a~~ trust of which the beneficiaries are one or more natural or  
 36 naturalized citizens related to each other within the fourth degree of civil reckoning.

37 ~~Such family owned farm entity must have derived 80 percent or more of its gross~~  
 38 ~~income from bona fide agricultural uses within this state within the year immediately~~  
 39 ~~preceding the year in which the exemption provided by this Code section is sought.~~

40 (3) 'Family owned qualified farm products producer' means an individual or family  
 41 owned farm entity primarily engaged in the direct cultivation of the soil, including soil  
 42 removed from the land and placed in pots or containers, or operation of land for the  
 43 production of qualified farm products. A family owned qualified farm products producer

44 shall not include wholesalers, distributors, storage facility owners, manufacturers,  
45 processors, or other similar entities that primarily prepare qualified farm products for any  
46 intermediate or final market or that primarily operate to move or facilitate the movement  
47 of qualified farm products from a producer to any intermediate or final markets.

48 (4) 'Farm products' means only those farm products eligible to qualify for exemption  
49 from ad valorem taxation pursuant to the former provisions of paragraph (10) of  
50 subsection (a) of Code Section 48-5-41 as it existed prior to January 1, 1999.

51 (5) 'Harvested agricultural products' means only those harvested agricultural products  
52 eligible to qualify for exemption from ad valorem taxation pursuant to the former  
53 provisions of paragraph (10) of subsection (a) of Code Section 48-5-41 as it existed prior  
54 to January 1, 1999.

55 (6) 'Initial production' means:

56 (A) When applied to a laying hen, a period beginning at the time the laying hen comes  
57 into production at age six months rather than a period beginning when the laying hen  
58 is hatched; or

59 (B) When applied to a brood cow, a period of nine months from the time the brood cow  
60 is able to conceive at age 12 months rather than a period beginning when the brood cow  
61 is born.

62 (7) 'Lease-purchase agreement' means a financing agreement under which lessee  
63 payments are credited toward the purchase of agricultural equipment or that provides for  
64 a fixed amount purchase option to a lessee during the lease term. Under a lease-purchase  
65 agreement the title of ownership may remain with the lessor during the lease.

66 (8) 'Producer' means any entity that produces farm products.

67 (9) 'Qualified farm products' means livestock; dairy products; unfertilized eggs of  
68 poultry; crops; fruit or ~~nut-bearing~~ nut-bearing trees, bushes, or plants; annual and  
69 perennial plants; Christmas trees; and plants and trees grown in nurseries for  
70 transplantation elsewhere. Qualified farm products shall not include standing timber.

- 71 (b) The following property shall be exempt from all ad valorem property taxes in this state:
- 72 (1) All farm products grown in this state and remaining in the hands of the producer
- 73 during the one year beginning immediately after their initial production;
- 74 (2) Harvested agricultural products which have a planting-to-harvest cycle of 12 months
- 75 or less, which are customarily cured or aged for a period in excess of one year after
- 76 harvesting and before manufacturing, and which are held in this state for manufacturing
- 77 and processing purposes;
- 78 (3) All qualified farm products grown in this state:
- 79 (A) Remaining in the hands of a family owned qualified farm products producer;
- 80 (B) Still in their natural and unprocessed condition, unless processed solely for further
- 81 use in the production of other qualified farm products; and
- 82 (C) Not held for direct retail sale by someone other than the original family owned
- 83 qualified farm products producer; and
- 84 (4) Agricultural equipment."

85 **SECTION 2.**

86 The Secretary of State shall call and conduct an election as provided in this section for the

87 purpose of submitting this Act to the electors of the entire state for approval or rejection. The

88 Secretary of State shall conduct such election on the Tuesday next following the first

89 Monday in November, 2022, and shall issue the call and conduct that election as provided

90 by general law. The Secretary of State shall cause the date and purpose of the election to be

91 published once a week for two weeks immediately preceding the date thereof in the official

92 organ of each county in the state. The ballot shall have written or printed thereon the words:

