

House Bill 1017

By: Representatives Kendrick of the 95<sup>th</sup>, Evans of the 57<sup>th</sup>, and Clark of the 108<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 3 of Title 44 and Chapter 5 of Title 48 of the Official Code of Georgia  
2 Annotated, relating to regulation of specialized land transactions and ad valorem taxation of  
3 property, respectively, so as to prohibit certain business enterprises from purchasing or  
4 acquiring an interest in a single-family residential property; to provide for construction; to  
5 provide for the assessment of real property purchased or acquired by certain business  
6 enterprises at 100 percent of its fair market value; to provide for penalties; to provide for  
7 certification of ownership; to provide for forms and applications; to provide for definitions;  
8 to provide for effective dates and automatic repeal; to provide for related matters; to repeal  
9 conflicting laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Chapter 3 of Title 44 of the Official Code of Georgia Annotated, relating to regulation of  
13 specialized land transactions, is amended by adding a new article to read as follows:

14 "ARTICLE 8

15 44-3-260.

16 As used in this article, the term:

17 (1) 'Affiliate' means any entity that directly or indirectly owns or controls, is owned or  
18 controlled by, or is under any other common ownership or control with a business  
19 enterprise.

20 (2) 'Business enterprise' means any corporation, association, partnership, limited liability  
21 company, limited partnership, trust, issuer, or other private legal entity organized under  
22 the laws of this state, the United States, the District of Columbia, or any other state,  
23 territory, or dependency of the United States or under the laws of a foreign country that  
24 holds an interest in at least 100 single-family residential properties within this state which  
25 are used primarily for the purpose of generating rental income. Such term shall not  
26 include an organization which maintains nonprofit status under Section 501(c)(3) of the  
27 Internal Revenue Code of 1986 and tax exempt status under Code Section 48-7-25.

28 (3) 'Single-family residential property' means any parcel of real property located within  
29 this state which includes as its principal substantial improvement a residential dwelling  
30 designed exclusively for use and occupancy by a single family, including, but not be  
31 limited to, a:

32 (A) Detached residential structure containing from one to three individual dwelling  
33 units, each designed exclusively for use and occupancy by one family;

34 (B) Townhouse;

35 (C) Condominium, as such term is defined in Code Section 44-3-71;

36 (D) Manufactured home, as such term is defined in Code Section 8-2-131; and

37 (E) Mobile home, as such term is defined in Code Section 8-2-131.

38 (4) 'Townhouse' means an individual residential dwelling unit within a larger structure  
39 that contains two or more attached residential dwelling units constructed in a row where

40 each residential dwelling unit is designed exclusively for use and occupation by one  
41 family, is located on an individual lot or parcel, and shares at least one common wall with  
42 an adjacent unit.

43 44-3-261.

44 (a) On and after January 1, 2027, no business enterprise shall purchase or otherwise  
45 acquire, directly or indirectly, including, but not limited to, through one or more affiliates,  
46 an interest in a single-family residential property.

47 (b)(1) For purposes of this Code section, an interest in a single-family residential  
48 property shall not include a deed to secure debt, security deed, mortgage, security  
49 interest, deed of trust, or other lien upon a single-family residential property that secures  
50 a debt or other obligation, and nothing in this Code section shall be construed as  
51 prohibiting a business enterprise from owning or acquiring a deed to secure debt, security  
52 deed, mortgage, security interest, deed of trust, or other lien upon a single-family  
53 residential property located in this state.

54 (2) An interest in a single-family residential property acquired pursuant to the  
55 enforcement of a deed to secure debt, security deed, mortgage, security interest, deed of  
56 trust, or other lien described in paragraph (1) of this subsection by a business enterprise  
57 that would otherwise violate subsection (a) of this Code section shall not constitute such  
58 a violation, provided that such interest in the single-family residential property is sold or  
59 otherwise transferred to another person by the business enterprise within three years from  
60 the date such interest is acquired.

61 **SECTION 2.**

62 Chapter 5 of Title 48, relating to ad valorem taxation of property, is amended by revising  
63 Code Section 48-5-3, relating to taxable property, as follows:

64 "48-5-3.

65 All real property including, but not limited to, leaseholds, interests less than fee, and all  
66 personal property shall be liable to taxation and shall be taxed, except as otherwise  
67 provided by law. Liability of property for taxation shall not be affected by the individual  
68 or corporate character of the property owner or by the resident or nonresident status of the  
69 property owner, except as otherwise provided by law."

70 **SECTION 3.**

71 Said chapter is further amended in Code Section 48-5-7, relating to assessment of tangible  
72 property, by adding a new subsection to read as follows:

73 "(c.7) Tangible real property which qualifies as business enterprise property pursuant to  
74 the provisions of Code Section 48-5-7.8 shall be assessed at 100 percent of its fair market  
75 value and shall be taxed on a levy made by each respective taxing jurisdiction according  
76 to 100 percent of the property's fair market value."

77 **SECTION 4.**

78 Said chapter is further amended by adding a new Code section to read as follows:

79 "48-5-7.8.

80 (a) As used in this article, the term 'business enterprise property' means any real property  
81 owned wholly or partially by a business enterprise, as such term is defined in Code Section  
82 44-3-260.

83 (b)(1) Except as otherwise provided in paragraph (2) of this subsection, each property  
84 owner of business enterprise property shall submit, by January 1, 2027, a certification of  
85 ownership of such property to the county board of tax assessors and shall include with  
86 such certification a copy of the recorded deed for the property and any other information  
87 required by the county board of tax assessors. The county board of tax assessors shall  
88 determine if the provisions of this Code section are applicable to such property and, upon

89 such determination, such board shall impose an assessment on such property as provided  
90 for in subsection (c.7) of Code Section 48-5-7. The board shall make a determination  
91 within 30 days after receiving any certification and shall notify the property owner in the  
92 same manner that notices of assessment are given pursuant to Code Section 48-5-306.

93 (2) Each property owner of business enterprise property purchased or acquired on and  
94 after January 1, 2027, shall submit, within 90 days of the execution of a deed transferring  
95 title to such business enterprise property, a certification of ownership of such property to  
96 the county board of tax assessors and shall include with such certification a copy of the  
97 recorded deed for the property and any other information required by the county board  
98 of tax assessors. The county board of tax assessors shall determine if the provisions of  
99 this Code section are applicable to such property and, upon such determination, such  
100 board shall impose an assessment on such property as provided for in subsection (c.7) of  
101 Code Section 48-5-7. The board shall make a determination within 30 days after  
102 receiving any certification and shall notify the property owner in the same manner that  
103 notices of assessment are given pursuant to Code Section 48-5-306.

104 (c)(1) A penalty shall be imposed for any failure to comply with the certification  
105 requirement set forth in subsection (b) of this Code section. The penalty shall be twice  
106 the difference between the total amount of the tax paid under this chapter and the total  
107 amount of taxes which would otherwise have been paid pursuant to the assessment  
108 provided for in subsection (c.7) of Code Section 48-5-7. Any such penalty shall bear  
109 interest at the rate specified in Code Section 48-2-40 from January 1, 2027, for any  
110 property purchased or acquired before January 1, 2027, and from 90 days after the date  
111 of execution of a deed transferring title to such business enterprise property, for any  
112 property purchased or acquired after January 1, 2027.

113 (2) Penalties and interest imposed under this Code section shall constitute a lien against  
114 the property and shall be collected as other unpaid ad valorem taxes are collected. Such  
115 penalties and interest shall be distributed pro rata to each taxing jurisdiction wherein the

116 assessment has been granted based upon the total amount by which such assessment has  
117 reduced taxes for each such taxing jurisdiction on the property in question as provided  
118 in this Code section.

119 (d)(1) Property which has been classified by the county board of tax assessors as  
120 business enterprise property shall be immediately subject to the assessment provided for  
121 in subsection (c.7) of Code Section 48-5-7; provided, however, that, for the purposes of  
122 determining the years of applicability for such assessment, the tax year following the year  
123 in which the certification required under subsection (b) of this Code section was due shall  
124 be considered and counted as the first year of applicability.

125 (2) Property which is subject to the assessment provided for in subsection (c.7) of Code  
126 Section 48-5-7 shall be separately classified from all other property on the tax digest, and  
127 such separate classification shall be such as to enable any person examining the tax digest  
128 to readily ascertain that the property is subject to such assessment.

129 (e) At such time as property ceases to qualify as business enterprise property, the property  
130 owner shall file an application for release of the assessment provided for in subsection (c.7)  
131 of Code Section 48-5-7 with the county board of tax assessors and shall include with such  
132 application any other information required by such board. The board shall approve the  
133 release upon verification that all taxes and penalties with respect to the property have been  
134 satisfied. After the application for release has been approved by the board of tax assessors,  
135 such board shall file the release in the office of the clerk of the superior court in the county  
136 in which the original covenant was filed. Such clerk shall file and index such release in the  
137 real property records maintained in the clerk's office. No fee shall be paid to such clerk for  
138 recording such release.

139 (f) The commissioner shall by regulation provide uniform certification and release forms  
140 to be used in certifying ownership of business enterprise property for the assessment  
141 provided for in subsection (c.7) of Code Section 48-5-7 and applying for release of such  
142 assessment. Such certification form shall include an oath or affirmation by the taxpayer

143 that he or she is in compliance with subsection (b) of this Code section and has not failed  
144 to submit a certification of ownership of business enterprise property in the same or another  
145 county with respect to any property."

146 **SECTION 5.**

147 (a) Except as otherwise provided in subsection (b) of this section, this Act shall become  
148 effective upon its approval by the Governor or upon its becoming law without such approval,  
149 and shall apply to any conveyance of an interest in residential property made on or after such  
150 date.

151 (b) The provisions of Sections 3 and 4 of this Act shall become effective on January 1, 2027,  
152 only if an amendment to the Constitution is ratified by the electors at the November, 2026,  
153 state-wide general election authorizing the General Assembly to define and establish a  
154 separate class of property that includes only tangible real property qualifying as business  
155 enterprise property and to establish a program by which certain properties within such class  
156 may be assessed for taxes at different rates or valuations. If such an amendment is not so  
157 ratified, Sections 3 and 4 of this Act shall not become effective and shall stand repealed on  
158 January 1, 2027.

159 **SECTION 6.**

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