House Budget and Research Office
COVERDELL LEGISLATIVE OFFICE BUILDING, ROOM 412
ATLANTA, GEORGIA 30334
404-656-5050
MARTHA R. WIGTON
DIRECTOR

Guide to Understanding Residential Property Taxes

Georgia's local governments have two main general revenue sources, sales and use tax and property tax. Property taxes represent approximately 47% of county general revenues and 27% of municipality general revenues. Sales and use tax revenues are received throughout the year, while property tax revenue is remitted annually toward the end of the calendar year; however, the property tax process is on-going throughout the year. The following is a statewide overview of the property tax process. For more information regarding a specific county, refer to that county's published property tax information brochure that explains property tax laws and procedures.

Assessing the Property

County tax assessors generally distribute annual notices of assessment for residential property during the middle of **May;** however, the deadline for distribution is **July 1st**. The notice of assessment must include the following:

- the current and prior years' fair market value;
- the taxable value, which is 40% of the fair market value;
- an estimated tax to be due based on the prior year's millage rate; and
- instructions for filing an appeal.

The current year fair market value is the price a willing buyer and seller would likely agree to in an open market transaction on January 1 of the tax year. The prior year's fair market value is the amount the taxpayer and tax assessor agreed to, either by the taxpayer accepting the assessor's value or as the result of an appeal of the value.

Given the number of properties in each county, it is not feasible for an assessor to perform an onsite evaluation of every property each year. All counties in Georgia utilize computer-assisted mass appraisal (CAMA) software to appraise property for ad valorem taxation. The CAMA software systematically appraises groups of properties using standardized procedures and statistical testing.

Once a property has been appraised, the estimated tax due is included on the assessment and mailed as a preliminary notice to the taxpayer. This does not represent the amount of tax that will ultimately be due on the tax bill; rather it is notice of the amount that would be due based on the revised assessment if there is no change to the current millage. Along with the assessment, taxpayers are provided with the instructions necessary to file an appeal should they believe the assessed fair market value does not accurately represent the fair market value of their property on January 1 of that tax year.

Appealing the Assessment

Following the distribution of the annual notice of assessment, a 45-day window opens for taxpayers to appeal their property's assessed value. Instructions for filing an appeal appear on the notice of assessment. When filing an appeal, property owners must:

- complete a uniform appeal form provided by the Department of Revenue which includes identifying information for the taxpayer and the property, the taxpayer's asserted fair market value and an explanation of that value; and
- select the desired appeal method.

The most common method of appeal is to the county board of equalization, but in certain circumstances taxpayers may appeal to a hearing officer, an arbitrator, or directly to the superior court.

Setting the Millage Rate

Millage rates are set annually by each county's governing authority. Municipalities and local boards of education also use the county's most recent assessed values to determine their millage rates and then, if the county is administering the collection of the property taxes on behalf of the municipality or board of education, submit their levy rate to the county governing authority for formal adoption. The county governing authority does not have the ability to change the rates set by municipalities or school boards.

By **July 15th** of each year, county tax assessors must provide assessments to each governing authority so a millage rate for the next year may be set. Based on the new assessed values, each governing authority must decide to decrease the millage rate, keep the same rate, or increase the rate depending on the amount of revenue needed.

Georgia law prevents indirect property tax increases based on the rise in values due to inflation without proper notification to taxpayers of a property tax increase. The law requires the calculation of a "rollback millage rate" that would produce the same revenue on the newly assessed digest as the prior year's millage rate would have generated if no reassessments had occurred.

If the governing authority proposes to adopt a millage rate that is less than the rollback rate, it may do so at an advertised public meeting. If a governing authority proposes to adopt a millage rate that exceeds the roll back rate, a "Notice of Property Tax Increase" must be advertised and three public hearings must be conducted. The notice must include the percentage increase, the time and date of three required public hearings, and be published both in a newspaper of general circulation and on the county website at least one week prior to each of the three public hearings. At least one week prior to the adoption of the county, municipal, and school millage rates, each governing authority must publish a five-year millage rate history in a newspaper of general circulation.

Property Tax Collection

By **September 1st**, the county tax commissioners must submit their annual property tax digests to the Department of Revenue for approval. Upon approval, property tax bills are mailed to residents no later than **October 20th**. This is the first time that a taxpayer will see a document showing the actual tax due based on the updated assessed value and millage rate. Property taxes must be remitted by **December 20th**.