

The Senate Committee on Finance offered the following substitute to SB 52:

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad
2 valorem taxation of property, so as to authorize certain local governing authorities to provide
3 temporary tax relief from taxes levied for the harvest or sale of standing timber from eligible
4 timber property that was severely damaged or destroyed in certain disaster areas; to provide
5 for conditions and procedures; to provide for the establishment of a certification form; to
6 provide for audits; to provide for grants to such local governing authorities to offset the loss
7 of certain revenues resulting from certain disaster damage to standing timber and such
8 temporary tax relief; to provide for an appropriations contingency; to provide for a grant cap;
9 to provide for the calculation of equalized adjusted property tax digests; to require the
10 establishment of criteria regarding damage or destruction; to provide for rules and
11 regulations; to provide for definitions; to provide for related matters; to provide for a short
12 title and legislative findings and intent; to provide for an effective date; to repeal conflicting
13 laws; and for other purposes.

14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

15 **SECTION 1.**

16 This Act shall be known and may be cited as the "Timberlands Recovery, Exemption, and
17 Earnings Stability (TREES) Act."

18 **SECTION 2.**

19 The General Assembly finds that:

- 20 (1) Hurricane Helene has had a catastrophic impact on the citizens and the economy of
21 many areas in this state, has particularly devastated the timber industry on which the
22 citizens of southwest Georgia are heavily dependent for their livelihood by reducing or
23 eliminating the long-held investments in standing timber and timberlands of businesses and
24 families, and has created both a public fire hazard and a danger of insect infestations due
25 to the massive amounts of downed timber caused by the severity of this natural disaster;
- 26 (2) As of November, 2024, the estimated losses to standing timber caused by Hurricane
27 Helene as measured by the Georgia Forestry Commission were nearly \$1.3 billion;
- 28 (3) Timberlands as investments are unique as an agriculture product in this state, as timber
29 products often take ten years or longer to realize any return on the investment;
- 30 (4) Many counties, municipalities, and local school districts rely on the taxes levied at the
31 time of timber's harvest or sale pursuant to Code Section 48-5-7.5, but with the destruction
32 of timberlands throughout this state, that tax revenue will likely not be realized; and
- 33 (5) It is the intent of the General Assembly to authorize local governing authorities to
34 provide temporary tax relief from the taxes levied pursuant to Code 48-5-7.5 so that the
35 timber industry, and the businesses and families that provide timber products to such
36 industry, will realize a reduced cost for growing new product and recovering from the
37 devastating effects of Hurricane Helene. These reduced costs will help stabilize the market
38 and allow for quicker harvesting and recovery of lands where some timber is still
39 salvageable.

SECTION 3.

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41 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem
42 taxation of property, is amended by adding a new Code section to read as follows:

43 "48-5-33.1.

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

45 (1) 'Disaster area' means any county designated for public assistance or individual and
46 public assistance pursuant to the Federal Emergency Management Agency
47 FEMA-4830-DR Georgia disaster declaration as of November 4, 2024.

48 (2) 'Eligible governing authority' means the governing authority of any county,
49 consolidated government, or municipality or the governing body of any county or
50 independent board of education that is located in whole or in part in the disaster area.

51 (3) 'Eligible standing timber' means any timber which is subject to taxation pursuant to
52 Code Section 48-5-7.5 that is on eligible timber property.

53 (4) 'Eligible timber property' means any parcel, tract, stand, or other identifiable unit of
54 property that:

55 (A) Contains standing timber which would, in the ordinary course of business, be sold
56 or harvested;

57 (B) Is timberland property as such term is defined in Code Section 48-5-600;

58 (C) Is located within the disaster area; and

59 (D) Was severely damaged or destroyed as a result of the natural disaster.

60 (5) 'Severely damaged or destroyed' means damaged to the extent which would require
61 salvage thinning, a salvage operation, or clear-cut of eligible standing timber based on
62 criteria established by the Georgia Forestry Commission pursuant to subsection (k) of this
63 Code section.

64 (b) Pursuant to Article VII, Section I, Paragraph III(h) of the Constitution of Georgia and
65 in accordance with the provisions of this Code section, an eligible governing authority may

66 grant temporary tax relief from taxes levied for eligible standing timber pursuant to Code
67 Section 48-5-7.5 during:

68 (1) The final quarter of 2024; and

69 (2) Each quarter of 2025.

70 (c) To grant the temporary tax relief authorized by subsection (b) of this Code section, an
71 eligible governing authority shall adopt a resolution or ordinance that:

72 (1) Declares that its jurisdiction contains eligible timber property;

73 (2) Consents to grant the tax relief provided under this Code section;

74 (3) Requires that taxpayers seeking such tax relief submit the certification established
75 pursuant to subsection (f) of this Code section and that such certification shall be
76 accepted by the eligible governing authority; and

77 (4) Waives the levy and collection of payment of taxes otherwise due pursuant to Code
78 Section 48-5-7.5 for the final quarter of 2024 and during each quarter of 2025.

79 (d) Upon adoption of the resolution or ordinance provided under subsection (c) of this
80 Code section, no taxpayer who submits the certification established pursuant to
81 subsection (f) of this Code section shall be required to pay taxes otherwise levied pursuant
82 to Code Section 48-5-7.5 for eligible standing timber during the final quarter of 2024 or
83 during any quarter of 2025.

84 (e) In the event taxes were levied and paid by a taxpayer pursuant to Code
85 Section 48-5-7.5 for eligible standing timber during the final quarter of 2024 or during any
86 quarter of 2025, the eligible governing authority to which such taxes were payable or
87 collected shall provide that a refund be issued to such taxpayer for the total amount paid
88 in the same manner as otherwise provided under Code Section 48-5-380. If such taxes
89 were levied but unpaid, the eligible governing authority to which such taxes are payable
90 or collected shall waive payment and collection as provided in the resolution or ordinance
91 adopted pursuant to subsection (c) of this Code section, and shall be provided by the tax

92 collector or tax commissioner an updated tax bill reflecting that the amount is no longer
93 due.

94 (f)(1) A certification form shall be established by the Georgia Forestry Commission in
95 consultation with the commissioner and Association County Commissioners of Georgia
96 within ten days of the effective of this Code section. In addition to requiring necessary
97 identification and location information, such certification shall:

98 (A) Require such taxpayer to declare that their otherwise taxable property is eligible
99 standing timber;

100 (B) Require such taxpayer to declare that they are making a claim for temporary tax
101 relief for eligible standing timber pursuant to this Code section; and

102 (C) Allow the taxpayer to attach photographs of their eligible timber property,
103 verification by a registered forester that the otherwise taxable property is eligible timber
104 property, or other supporting documentation.

105 (2) Such certification shall be completed by the taxpayer and shall be submitted to the
106 eligible governing authority as provided in the resolution or ordinance adopted pursuant
107 to subsection (c) of this Code section.

108 (3) The Georgia Forestry Commission shall distribute or otherwise make available such
109 certification form to taxpayers.

110 (g) The Georgia Forestry Commission is authorized to conduct audits of property for
111 compliance with this Code section at the request of the tax collector or tax commissioner
112 for an eligible governing authority. In the event the Georgia Forestry Commission
113 conducts an audit and finds that the temporary tax relief granted to a taxpayer pursuant to
114 this Code section was improper, the Georgia Forestry Commission shall report such
115 findings to the tax collector or tax commissioner who may pursue all remedies available
116 by law as necessary to recapture the tax that would have been due but for being wrongfully
117 claimed by a taxpayer.

118 (h) Any temporary tax relief approved or allowed under this Code section shall be paid
119 from funds of the eligible governing authority to which the taxes were or were to have been
120 paid.

121 (i)(1) For the purpose of offsetting an eligible governing authority's revenue loss in the
122 final quarter of 2024 and any quarter of 2025 due to the destruction of eligible standing
123 timber in the disaster area and the temporary tax relief authorized pursuant to this Code
124 section, the commissioner shall, subject to an appropriation by the General Assembly
125 specifically referencing the provisions of this Code section, provide a grant to each
126 eligible governing authority that has consented to grant the temporary tax relief
127 authorized pursuant to this Code section.

128 (2) A grant provided for in paragraph (1) of this subsection shall be allotted to each
129 eligible governing authority based on:

130 (A) The governing authority's estimated revenue loss as described in paragraph (1) of
131 this subsection;

132 (B) The revenue received by such governing authority pursuant to Code
133 Section 48-5-7.5 in each of the preceding three years; and

134 (C) The estimated damage to eligible standing timber in the jurisdiction as provided
135 in the *Hurricane Helene Timber Damage Assessment* published by the Georgia Forestry
136 Commission on November 5, 2024, or other reliable data from the Georgia Forestry
137 Commission.

138 (3) No grant to an eligible governing authority provided pursuant to paragraph (1) of this
139 subsection shall exceed the average of the total revenue received by such governing
140 authority pursuant to Code Section 48-5-7.5 in 2021, 2022, and 2023.

141 (j)(1) The grants provided pursuant to subsection (i) of this Code section shall not be
142 included in the calculation of the equalized adjusted property tax digest under Code
143 Section 48-5-274 for the purpose of calculating the required local five mill share for
144 school funding purposes under Code Section 20-2-164.

145 (2) The temporary tax relief authorized pursuant to this Code section shall not affect the
146 requirement provided for in paragraph (2) of subsection (m) of Code Section 48-5-7.5
147 that the fair market value of timber harvested or sold be added to a digest and be included
148 in the calculation of the equalized adjusted property tax digest under Code
149 Section 48-5-274 for the purpose of calculating the required local five mill share for
150 school funding purposes under Code Section 20-2-164.

151 (k)(1) The commissioner, tax collectors, and tax commissioners shall be authorized to
152 consult with the Georgia Forestry Commission to implement the provisions of this Code
153 section.

154 (2) The Georgia Forestry Commission shall establish criteria for determining whether
155 timber property is severely damaged or destroyed. In establishing such criteria, such
156 commission may consider:

157 (A) The average damage sustained throughout the timber property;

158 (B) Whether the timber property has adequate remaining trees per acre to maintain
159 viable timber property; and

160 (C) The risk of insect and disease damage to the timber property as a result of the
161 disaster.

162 (l) The commissioner may promulgate any rules and regulations necessary to implement
163 and administer the provisions this Code section."

164 **SECTION 4.**

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

167 **SECTION 5.**

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