

House Bill 1228

By: Representatives McCollum of the 30<sup>th</sup>, Oliver of the 84<sup>th</sup>, Olaleye of the 59<sup>th</sup>, Panitch of the 51<sup>st</sup>, Gullett of the 19<sup>th</sup>, and others

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 provide for the assessment of real property purchased  
3 or acquired by certain business enterprises at 100 percent of its fair market value; to require  
4 that proceeds from taxation of such property be used to reduce the ad valorem tax bill on  
5 homesteads in the same tax jurisdiction as such property; to provide for penalties; to provide  
6 for certification of ownership; to provide for forms and applications; to provide for  
7 definitions; to provide for contingent effectiveness and automatic repeal; to provide for  
8 related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

13 "48-5-3.

14 All real property including, but not limited to, leaseholds, interests less than fee, and all  
15 personal property shall be liable to taxation and shall be taxed, except as otherwise  
16 provided by law. Liability of property for taxation shall not be affected by the individual

17 or corporate character of the property owner or by the resident or nonresident status of the  
18 property owner, except as otherwise provided by law."

19 **SECTION 2.**

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

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

26 **SECTION 3.**

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

28 "48-5-7.8.

29 (a) As used in this article, the term:

30 (1) 'Affiliate' means any entity that directly or indirectly owns or controls, is owned or  
31 controlled by, or is under any other common ownership or control of a business  
32 enterprise.

33 (2) 'Business enterprise' means a corporation, association, partnership, limited liability  
34 company, limited partnership, trust, issuer, or other private legal entity organized under  
35 the laws of this state, the United States, the District of Columbia, or any other state,  
36 territory, or dependency of the United States or under the laws of a foreign country.

37 (3) 'Business enterprise property' means property owned by a business enterprise,  
38 directly or indirectly, including, but not limited to, through one or more affiliates, that  
39 holds an interest in at least 1,000 single-family residential properties within this state  
40 which are used primarily for the purpose of generating rental income. Such term shall

41 not include an organization which maintains nonprofit status under Section 501(c)(3) of  
42 the Internal Revenue Code of 1986 and tax exempt status under Code Section 48-7-25.

43 (4) 'Fiscal authority' means the individual authorized to collect ad valorem taxes for a  
44 county or municipality which levies ad valorem taxes.

45 (5) 'Homestead' shall have the same meaning as set forth in Code Section 48-5-40.

46 (b)(1) Except as otherwise provided in paragraph (2) of this subsection, each property  
47 owner of business enterprise property shall submit, by January 1, 2027, a certification of  
48 ownership of such property to the county board of tax assessors and shall include with  
49 such certification a copy of the recorded deed for the property and any other information  
50 required by the county board of tax assessors. The county board of tax assessors shall  
51 determine if the provisions of this Code section are applicable to such property and, upon  
52 such determination, such board shall impose an assessment on such property as provided  
53 for in subsection (c.7) of Code Section 48-5-7. The board shall make a determination  
54 within 30 days after receiving any certification and shall notify the property owner in the  
55 same manner that notices of assessment are given pursuant to Code Section 48-5-306.

56 (2) Each property owner of business enterprise property purchased or acquired on and  
57 after January 1, 2027, shall submit, within 90 days of the execution of a deed transferring  
58 title to such business enterprise property, a certification of ownership of such property to  
59 the county board of tax assessors and shall include with such certification a copy of the  
60 recorded deed for the property and any other information required by the county board  
61 of tax assessors. The county board of tax assessors shall determine if the provisions of  
62 this Code section are applicable to such property and, upon such determination, such  
63 board shall impose an assessment on such property as provided for in subsection (c.7) of  
64 Code Section 48-5-7. The board shall make a determination within 30 days after  
65 receiving any certification and shall notify the property owner in the same manner that  
66 notices of assessment are given pursuant to Code Section 48-5-306.

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

76 (2) Penalties and interest imposed under this Code section shall constitute a lien against  
77 the property and shall be collected as other unpaid ad valorem taxes are collected. Such  
78 penalties and interest shall be distributed pro rata to each taxing jurisdiction wherein the  
79 assessment has been granted based upon the total amount by which such assessment has  
80 reduced taxes for each such taxing jurisdiction on the property in question as provided  
81 in this Code section.

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

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

92 (e) At such time as property ceases to qualify as business enterprise property, the property  
93 owner shall file an application for release of the assessment provided for in subsection (c.7)

94 of Code Section 48-5-7 with the county board of tax assessors and shall include with such  
95 application any other information required by such board. The board shall approve the  
96 release upon verification that all taxes and penalties with respect to the property have been  
97 satisfied. After the application for release has been approved by the board of tax assessors,  
98 such board shall file the release in the office of the clerk of the superior court in the county  
99 in which the original covenant was filed. Such clerk shall file and index such release in the  
100 real property records maintained in the clerk's office. No fee shall be paid to such clerk for  
101 recording such release.

102 (f)(1) Any proceeds from taxes collected under the provisions of this Code section must  
103 be used to reduce the ad valorem tax bill on homesteads in the taxing jurisdiction within  
104 which the business enterprise property is located before such proceeds may be used for  
105 any other purpose.

106 (2) Each fiscal authority collecting a tax under the provisions of this Code section shall  
107 provide an adjustment credit on the ad valorem tax bill of each homestead within such  
108 fiscal authority's taxing jurisdiction up to the taxpayer's ad valorem property tax liability  
109 on the homestead.

110 (3) Credit amounts computed under paragraph (2) of this subsection shall be applied to  
111 reduce the otherwise applicable tax liability on a dollar-for-dollar basis; provided,  
112 however, that the credit granted shall not in any case exceed the amount of the otherwise  
113 applicable tax liability after the granting of all applicable homestead exemptions, except  
114 for any homestead exemption under Article 2A of Chapter 8 of this title, the 'Homestead  
115 Option Sales and Use Tax Act,' as amended, and after the granting of all applicable  
116 millage rollbacks.

117 (4) Each fiscal authority shall show the credit amount on the ad valorem tax bill.

118 (g) Any credit under this Code section which is erroneously or illegally granted shall be  
119 recoverable by the fiscal authority granting such credit in the same manner as any other  
120 delinquent tax.

121 (h) The commissioner shall by regulation provide uniform certification and release forms  
122 to be used in certifying ownership of business enterprise property for the assessment  
123 provided for in subsection (c.7) of Code Section 48-5-7 and applying for release of such  
124 assessment. Such certification form shall include an oath or affirmation by the taxpayer  
125 that he or she is in compliance with subsection (b) of this Code section and has not failed  
126 to submit a certification of ownership of business enterprise property in the same or another  
127 county with respect to any property."

128 **SECTION 4.**

129 This Act shall become effective on January 1, 2027, only if an amendment to the  
130 Constitution is ratified by the electors at the November, 2026, state-wide general election  
131 authorizing the General Assembly to define and establish a separate class of property that  
132 includes only tangible real property qualifying as business enterprise property and to  
133 establish a program by which certain properties within such class may be assessed for taxes  
134 at different rates or valuations. If such an amendment is not so ratified, this Act shall not  
135 become effective and shall stand repealed on January 1, 2027.

136 **SECTION 5.**

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