

The House Committee on Ways & Means offers the following substitute to SB 306:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
2 relating to general provisions regarding ad valorem taxation of property, so as to revise the
3 definition of bona fide conservation use property to include carbon sequestration; to require
4 certified notices of impending expiration; to provide for the reinstatement of certain
5 covenants and preferential assessments in certain limited circumstances; to provide for
6 appeals and refunds; to prohibit additional fees or interest; to permit the combination of
7 multiple covenants of a single owner into a single, new, ten-year covenant; to provide for
8 exceptions; to provide for the change of forest land use assessment property to current use
9 assessment property after a transfer of ownership; to provide for related matters; to provide
10 for an effective date and applicability; to repeal conflicting laws; and for other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

12 **SECTION 1.**

13 Article 1 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to
14 general provisions regarding ad valorem taxation of property, is amended in Code Section
15 48-5-7.4, relating to preferential assessment for bona fide conservation use property and bona

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16 fide residential transitional property, by revising subparagraph (a)(1)(F) and subsection (d)
17 and adding new subsections to read as follows:

18 “(F) The primary purpose described in this paragraph includes land conservation and
19 ecological forest management in which commercial production of wood and wood fiber
20 products may be undertaken primarily for conservation and restoration purposes rather
21 than financial gain. Such property may, in addition, have as a secondary use carbon
22 sequestration in accordance with the Georgia Carbon Sequestration Registry or a carbon
23 sequestration program; or”

24 “(d) No property shall qualify for current use assessment under this Code section unless
25 and until the owner of such property agrees by covenant with the appropriate taxing
26 authority to maintain the eligible property in bona fide qualifying use for a period of ten
27 years beginning on the first day of January of the year in which such property qualifies for
28 such current use assessment and ending on the last day of December of the final year of the
29 covenant period. After the owner has applied for and has been allowed current use
30 assessment provided for in this Code section, it shall not be necessary to make application
31 thereafter for any year in which the covenant period is in effect and current use assessment
32 shall continue to be allowed such owner as specified in this Code section. At least 60 days
33 prior to the expiration date of the covenant, the county board of tax assessors shall send by
34 first-class mail written notification of such impending expiration; provided, however, that
35 the county board of tax assessors shall send such written notification by certified mail, if
36 requested by the taxpayer. Additionally, the county board of tax assessors shall send an
37 electronic copy of such notification to the taxpayer if the taxpayer has submitted a current
38 email address and requested such electronic notification. Upon the expiration of any
39 covenant period, the property shall not qualify for further current use assessment under this
40 Code section unless and until the owner of the property has entered into a renewal covenant
41 for an additional period of ten years; provided, however, that the owner may enter into a

42 renewal contract in the ninth year of a covenant period so that the contract is continued
43 without a lapse for an additional ten years.

44 (d.1)(1) This subsection shall apply in the case of any property:

45 (A) For which the covenant required under subsection (d) of this Code section expired
46 during the two years immediately preceding July 1, 2025; and

47 (B) That, during the period after the expiration of the covenant required under
48 subsection (d) of this Code section, continued to qualify for current use assessment
49 under this Code section; and

50 (C) The owner of such property can demonstrate by sworn affidavit from the
51 designated mail carrier that the mailbox was inoperable or unavailable at the time such
52 notice of expiration should have been delivered.

53 (2) Notwithstanding any other provision of this chapter to the contrary, for a property
54 that meets the requirements of paragraph (1) of this subsection the covenant required
55 under subsection (d) of this Code section shall be deemed to be reinstated and the owner
56 of the property shall only be liable for the taxes that would have been imposed if such
57 covenant had not expired.

58 (3) Notwithstanding the procedures and requirements for appeals provided in this chapter
59 to the contrary, the owner of any property that meets the requirements of paragraph (1)
60 of this subsection may appeal the assessment of such property for the time period stated
61 in subparagraph (A) of paragraph (1) of this subsection. The county board of tax
62 commissioners shall refund to the owner any amount of taxes paid in excess of such
63 amount, and no other costs, fees, or interest shall be imposed on such owner in relation
64 to such appeal."

65 “(e.1)(1) A single owner, as described in subparagraph (a)(1)(C) of this Code section,
66 who has multiple parcels of bona fide conservation use property that are collectively
67 subject to more than one valid covenant under this Code section may combine such
68 covenants in whole under a single, new, ten-year covenant for bona fide conservation use

69 without constituting a breach of any of the covenants, provided that all such property
 70 would be otherwise eligible to be placed under a renewal covenant under this Code
 71 section by the owner upon the natural expiration of the original covenant.

72 (2) The provisions of this subsection shall not be permitted or be construed to:

73 (A) Allow any portion of property held under a covenant to be removed from the
 74 covenant without being combined into the new covenant;

75 (B) Change any requirements for what constitutes qualified property; or

76 (C) Change any requirements for what constitutes qualifying use for purposes of this
 77 Code section.

78 (3) A single owner, as described in subparagraph (a)(1)(C) of this Code section, desiring
 79 to proceed with combining covenants pursuant to paragraph (1) of this subsection shall
 80 first file a real property tax return with the appropriate board of tax assessors on or before
 81 the deadline to file such return.

82 (4) Parcels on which delinquent taxes are owed shall not be eligible to be combined
 83 pursuant to paragraph (1) of this subsection."

84 **SECTION 2.**

85 Said article is further amended in Code Section 48-5-7.7, relation to preferential assessment
 86 for forest land conservation use property, by revising subsection (f) as follows:

87 "(f)(1) A qualified owner shall not be authorized to make application for and receive
 88 conservation use assessment under this Code section for any property which at the time
 89 of such application is receiving preferential assessment under Code Section 48-5-7.1 or
 90 current use assessment under Code Section 48-5-7.4; provided, however, that, if any
 91 property is subject to a covenant under either of those Code sections, it may be changed
 92 from such covenant and placed under a covenant under this Code section if it is otherwise
 93 qualified. Any such change shall terminate the existing covenant and shall not constitute
 94 a breach thereof. No property may be changed more than once under this paragraph.

95 (2) Any property that is subject to a covenant under this Code section and subsequently
96 fails to adhere to the qualifying purpose, as defined in paragraph (5) of subsection (b) of
97 this Code section, may be changed from the covenant under this Code section and placed
98 under a covenant provided for in Code Section 48-5-7.4 if the property otherwise
99 qualifies under the provisions of that Code section. In such a case, the existing covenant
100 under this Code section shall be terminated, and the change shall not constitute a breach
101 thereof. No property may be changed more than once under this paragraph.

102 (3) A qualified owner under this Code section may obtain ownership of property
103 receiving preferential assessment under Code Section 48-5-7.1 or current use assessment
104 under Code Section 48-5-7.4 and have 180 days from the time ownership is acquired to
105 change from such covenant and place under a covenant under this Code section if it is
106 otherwise qualified and would not constitute a breach thereof even if the qualified owner
107 does not qualify for the preferential assessment under Code Section 48-5-7.1 or current
108 use assessment under Code Section 48-5-7.4."

109 **SECTION 3.**

110 This Act shall become effective upon its approval by the Governor or upon its becoming law
111 without such approval, and shall be applicable to all taxable years beginning on or after
112 January 1, 2027.

113 **SECTION 4.**

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