

The Senate Committee on Finance offered the following substitute to HB 1052:

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to bona
2 fide conservation use property, residential transitional property, application procedures,
3 penalties for breach of covenant, classification on tax digest, and annual report, so as to
4 remove a limitation on leased property as to certain entities; to provide for related matters;
5 to provide for an effective date and applicability; to repeal conflicting laws; and for other
6 purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Code Section 48-5-7.4 of the Official Code of Georgia Annotated, relating to bona fide
10 conservation use property, residential transitional property, application procedures, penalties
11 for breach of covenant, classification on tax digest, and annual report, is amended by revising
12 subsection (b) as follows:

13 "(b) Except in the case of the underlying portion of a tract of real property on which is
14 actually located a constructed storm-water wetland, the following additional rules shall
15 apply to the qualification of conservation use property for current use assessment:

16 (1) When one-half or more of the area of a single tract of real property is used for a
17 qualifying purpose, then such tract shall be considered as used for such qualifying
18 purpose unless some other type of business is being operated on the unused portion;
19 provided, however, that such unused portion must be minimally managed so that it does
20 not contribute significantly to erosion or other environmental or conservation problems.
21 The lease of hunting rights or the use of the property for hunting purposes shall not
22 constitute another type of business. The charging of admission for use of the property for
23 fishing purposes shall not constitute another type of business;

24 (2)(A) The owner of a tract, lot, or parcel of land totaling less than ten acres shall be
25 required by the tax assessor to submit additional relevant records regarding proof of
26 bona fide conservation use for qualified property that on or after May 1, 2012, is either
27 first made subject to a covenant or is subject to a renewal of a previous covenant. The
28 provisions of this paragraph relating to requiring additional relevant records regarding
29 proof of bona fide conservation use shall not apply to such property if the owner of the
30 subject property provides one or more of the following:

- 31 (i) Proof that such owner has filed with the Internal Revenue Service a Schedule E,
32 reporting farm related income or loss, or a Schedule F, with Form 1040, or, if
33 applicable, a Form 4835, pertaining to such property;
- 34 (ii) Proof that such owner has incurred expenses for the qualifying use; or
- 35 (iii) Proof that such owner has generated income from the qualifying use.

36 Prior to a denial of eligibility under this paragraph, the tax assessor shall conduct and
37 provide proof of a visual, on-site inspection of the property. Reasonable notice shall
38 be provided to the property owner before being allowed a visual, on-site inspection of
39 the property by the tax assessor.

40 (B) The owner of a tract, lot, or parcel of land totaling ten acres or more shall not be
41 required by the tax assessor to submit additional relevant records regarding proof of

42 bona fide conservation use for qualified property that on or after May 1, 2012, is either
43 first made subject to a covenant or is subject to a renewal of a previous covenant;

44 (3) No property shall qualify as bona fide conservation use property if such current use
45 assessment would result in any person who has a beneficial interest in such property,
46 including any interest in the nature of stock ownership, receiving in any tax year any
47 benefit of current use assessment as to more than 2,000 acres. If any taxpayer has any
48 beneficial interest in more than 2,000 acres of tangible real property which is devoted to
49 bona fide conservation uses, such taxpayer shall apply for current use assessment only
50 as to 2,000 acres of such land;

51 (4) No property shall qualify as bona fide conservation use property if it is leased to a
52 person or entity which would not be entitled to conservation use assessment. This
53 paragraph shall not apply to a corporation, a partnership, a general partnership, a limited
54 partnership, a limited corporation, or a limited liability company registered with the
55 Secretary of State that meets the following conditions:

56 (A)(i) Its ownership includes only natural or naturalized citizens;

57 (ii) It has as its primary purpose the production of agricultural products or timber
58 from or on the land, including, but not limited to, subsistence farming or commercial
59 production; and

60 (iii) It derives 80 percent or more of its gross income from bona fide conservation
61 uses, including earnings on investments directly related to past or future bona fide
62 conservation uses, within this state; or

63 (B) At least one of its members has no less than a 25 percent ownership interest in the
64 property being leased and would be entitled to conservation use assessment;

65 (5) No property shall qualify as bona fide conservation use property if such property is
66 at the time of application for current use assessment subject to a restrictive covenant
67 which prohibits the use of the property for the specific purpose described in

68 subparagraph (a)(1)(E) of this Code section for which bona fide conservation use
69 qualification is sought; and

70 (6) No otherwise qualified property shall be denied current use assessment on the
71 grounds that no soil map is available for the county in which such property is located;
72 provided, however, that if no soil map is available for the county in which such property
73 is located, the owner making an application for current use assessment shall provide the
74 board of tax assessors with a certified soil survey of the subject property unless another
75 method for determining the soil type of the subject property is authorized in writing by
76 such board."

77 **SECTION 2.**

78 This Act shall become effective upon its approval by the Governor or upon its becoming law
79 without such approval and shall be applicable to all taxable years beginning on or after
80 January 1, 2025.

81 **SECTION 3.**

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