

SENATE SUBSTITUTE TO HR 51:

ADOPTED SENATE

A RESOLUTION

1 Proposing an amendment to the Constitution so as to revise provisions subclassifying forest
 2 land conservation use property for ad valorem taxation purposes; to revise the prescribed
 3 methodology for establishing the value of forest land conservation use property and related
 4 assistance grants; to permit increases to assistance grants by general law up to a five-year
 5 period; to permit the deduction and retention of a portion of assistance grants related to forest
 6 land conservation use property; to permit the subclassification of qualified timberland
 7 property for ad valorem taxation purposes; to provide for related matters; to provide for the
 8 submission of this amendment for ratification or rejection; and for other purposes.

9 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

11 Article VII, Section I, Paragraph III of the Constitution is amended by revising
 12 subparagraph (f) and by adding a new subparagraph to read as follows:

13 "(f)(1) The General Assembly shall provide by general law for the definition ~~and,~~
 14 methods of assessment, and taxation, such methods to include a formula based on current
 15 use, annual productivity, and real property sales data, of 'forest land conservation use
 16 property' to include only forest land ~~each tract of which exceeds 200 acres of a qualified~~
 17 ~~owner. Such methods of assessment and taxation shall be subject to the following~~
 18 conditions: of at least 200 acres in aggregate which lies within one or more counties,
 19 provided that such forest land is in parcels of at least 100 acres within any given county.

20 ~~(2)(A) A qualified owner shall consist of any~~ Any individual or individuals or any
 21 entity registered to do business in this state;

22 ~~(B) A qualified owner~~ desiring the benefit of such methods of assessment and
 23 taxation for forest land conservation use property shall be required to enter into a
 24 covenant to continue the property in forest land use;

25 ~~(C)(B)~~ All contiguous forest land conservation use property of an owner within a
 26 county for which forest land conservation use assessment is sought under this
 27 subparagraph shall be in a single covenant;

28 ~~(D)~~(C) A breach of such covenant within ~~15~~ ten years shall result in a recapture of
 29 the tax savings resulting from such methods of assessment and taxation and may result
 30 in other appropriate penalties; ~~and.~~

31 ~~(E)~~(D) The General Assembly may provide by general law for a limited exception
 32 to the 200 acre requirement in the case of a transfer of ownership of all or a part of the
 33 forest land conservation use property during a covenant period to another owner
 34 qualified to enter into an original forest land conservation use covenant if the original
 35 covenant is continued by both such acquiring owner and the transferor for the
 36 remainder of the term, in which event no breach of the covenant shall be deemed to
 37 have occurred even if the total size of a tract from which the transfer was made is
 38 reduced below 200 acres.

39 ~~(2)~~(3) No portion of an otherwise eligible tract of forest land conservation use property
 40 shall be entitled to receive simultaneously special assessment and taxation under this
 41 subparagraph and either subparagraph (c) or (e) of this Paragraph.

42 ~~(3)~~(4)(A) The General Assembly shall appropriate an amount for assistance grants
 43 to counties, municipalities, and county and independent school districts to offset
 44 revenue loss attributable to the implementation of this subparagraph. Such grants shall
 45 be made in such manner and shall be subject to such procedures as may be specified by
 46 general law. For the years 2019, 2020, 2021, 2022, and 2023, the value of the
 47 assistance grants may be increased by general law beyond the amounts prescribed by
 48 this subparagraph.

49 (B)(i) If the forest land conservation use property is located in a county,
 50 municipality, or county or independent school district where forest land conservation
 51 use value causes an ad valorem tax revenue reduction of 3 percent or less due to the
 52 implementation of this subparagraph, in each taxable year in which such reduction
 53 occurs, the assistance grants to the county, each municipality located therein, and the
 54 county or independent school districts located therein shall be in an amount equal to
 55 50 percent of the amount of such reduction.

56 ~~(E)~~(ii) If the forest land conservation use property is located in a county,
 57 municipality, or county or independent school district where forest land conservation
 58 use value causes an ad valorem tax revenue reduction of more than 3 percent due to
 59 the implementation of this subparagraph, in each taxable year in which such reduction
 60 occurs, the assistance grants to the county, each municipality located therein, and the
 61 county or independent school districts located therein shall be ~~as follows:~~ for

62 (i) ~~For the first 3 percent of such reduction amount, in an amount equal to 50~~
 63 ~~percent of the amount of such reduction; and, for~~

64 (ii) For the remainder of such reduction amount, in an amount equal to 100 percent
 65 of the amount of such remaining reduction amount.

66 ~~(4) Such revenue reduction shall be calculated by utilizing forest land fair market
 67 value. For purposes of this subparagraph, forest land fair market value means the 2008
 68 fair market value of the forest land. Such 2008 valuation may increase from one taxable
 69 year to the next by a rate equal to the percentage change in the price index for gross
 70 output of state and local government from the prior year to the current year as defined by
 71 the National Income and Product Accounts and determined by the United States Bureau
 72 of Economic Analysis and indicated by the Price Index for Government Consumption
 73 Expenditures and General Government Gross Output (Table 3.10.4).~~

74 (C)(i) Such revenue reduction shall be determined by subtracting the aggregate
 75 forest land conservation use value of qualified properties from the aggregate forest
 76 land fair market value of qualified properties for the applicable tax year and the
 77 resulting amount shall be multiplied by the millage rate of the county, municipality,
 78 or county or independent school district.

79 ~~(5)(ii)~~ For purposes of this subparagraph, the forest land conservation use value
 80 shall not include the value of the standing timber located on forest land conservation
 81 use property.

82 (iii) For the purposes of this subparagraph, forest land fair market value means the
 83 fair market value of the forest land as determined in 2016, provided that such value
 84 shall change in 2019 and every three years thereafter to the fair market value of forest
 85 land as determined in such year.

86 (D) Notwithstanding subparagraph (a) of Paragraph VI of Section IX of Article III
 87 of this Constitution, the General Assembly may provide by general law for a fee, not
 88 to exceed 5 percent, to be deducted from such assistance grants and retained by the state
 89 revenue commissioner to provide for the costs to the state of administering the
 90 provisions of subparagraph (f.1) of this Paragraph.

91 (f.1)(1)(A) The General Assembly shall be authorized by general law to establish a
 92 separate class of property for ad valorem taxation purposes that includes only tangible
 93 real property that has as its primary use the production of trees for the primary purpose
 94 of producing timber for commercial uses and that meets such further requirements as
 95 may be prescribed by general law. Such property shall be known as 'qualified
 96 timberland property.'

97 (B) The value of qualified timberland property shall be at least 175 percent of such
 98 property's forest land conservation use value as determined pursuant to subparagraph
 99 (f) of this Paragraph.

100 (2) The only two purposes authorized by the subclassification of qualified timberland
 101 property as provided by this subparagraph shall be to allow the General Assembly by
 102 general law to:

103 (A) Provide that the Department of Revenue shall appraise qualified timberland
 104 property at its fair market value using any combination of appraisal methodologies
 105 otherwise provided by general law for establishing the fair market value of real
 106 property, provided that such methodology is not subject to an exception authorized by
 107 subparagraph (b), (c), (d), (e), (f), or (g) of this Paragraph; and

108 (B) Authorize the General Assembly to provide for a separate system by which to
 109 appeal appraisals of and determinations made related to qualified timberland property."

110

SECTION 2.

111 The above proposed amendment to the Constitution shall be published and submitted as
 112 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 113 above proposed amendment shall have written or printed thereon the following:

114 "() YES Shall the Constitution of Georgia be amended so as to revise provisions
 115 related to the subclassification for tax purposes of and the prescribed
 116 methodology for establishing the value of forest land conservation use
 117 property and related assistance grants, to provide that assistance grants
 118 related to forest land conservation use property may be increased by general
 119 () NO law for a five-year period and that up to 5 percent of assistance grants may
 120 be deducted and retained by the state revenue commissioner to provide for
 121 certain state administrative costs, and to provide for the subclassification of
 122 qualified timberland property for ad valorem taxation purposes?"

123 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

124 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 125 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 126 become a part of the Constitution of this state.