

**The following report on Legislation is provided by
Richard Royal, Lobbyist for ACCG, GAAO, GMA, GSBA
May 3, 2010**

**HR1, HB 517 LINDSEY
PASSED WAYS AND MEANS AS COMMITTEE
SUBSTITUTE 3/11/2010
NOT CONSIDERED BY CROSSOVER DAY
DID NOT PASS**

This legislation was carried over from the 2009 legislative session and was heard in the Ways and Means Ad Valorem Tax Subcommittee, February 10, 2010. No committee action was taken.

HR 1 is a constitutional amendment which limits the rate of increase of assessed value for real property. The increase shall not exceed an aggregate of 9% for each three year period of successive ownership, provided however, that the rate of increase from one taxable year to the succeeding taxable year shall not exceed the lesser of 3% or the percent change in the rate of economic inflation as determined by the state revenue commissioner. Within a three-year period, such 3% limitation shall operate in a cumulative manner so if an increase in one year is less than 3%, the percent cap for the next succeeding year shall be increased by an amount equal to the difference in the actual percentage increase in the preceding year and 3%.

If such real property is sold or transferred to another person, such real property shall be valued for ad valorem tax purposes in an amount not to exceed fair market value. Additions or improvements shall be added at fair market value for ad valorem tax purposes. The General Assembly shall be authorized to discontinue the limitations under this Paragraph by local law conditioned upon approval by a majority of the qualified electors residing within the limits of a local taxing jurisdiction voting in a referendum thereon.

HB 517 is enabling legislation for HR 1. In addition to repeating the provisions of HR 1, it defines what an assessable transfer of interest includes. It also defines the term 'natural person.' The Department of Revenue may promulgate regulations to implement this article. This bill also provides for a seven year phase-in when an assessable transfer of property is made.

**HB 480 RICE
ELIGIBLE FOR SENATE ACTION
DID NOT PASS**

This legislation will substantially change the method of taxation of motor vehicles. A fee system will be phased in and the ad valorem tax collection on motor vehicles will be eliminated. This legislation was introduced during the 2009 legislative session and has seen a recent surge in activity. The latest information that has surfaced brings doubt as to whether HB 480 will be debated on the Senate floor.

**HB 963 O'NEAL
HOUSE ADOPTED 02/09/2010
SENATE ADOPTED UNANIMOUSLY 4/21/2010
AWAITING SIGNATURE OF GOVERNOR
DOR CLEAN-UP BILL**

ALLOWS FOR RETURNS OF TAXABLE REAL PROPERTY TO BE MADE BY THE OWNER OR HIS OR HER AGENT OR

ATTORNEY TO THE TAX RECEIVER OR TAX COMMISSIONER IN THE COUNTY WHERE THE PROPERTY IS LOCATED.

CHANGES PROVISIONS REGARDING THE AFFIDAVIT REQUIREMENTS FOR THE HOMESTEAD EXEMPTION FROM AD VALOREM TAXES FOR EDUCATIONAL PURPOSES FOR PERSONS 62 YEARS OF AGE OR OLDER WHOSE INCOMES DO NOT EXCEED \$10,000.00 PER YEAR.

CHANGES THE AFFIDAVIT FORM TO ONLY SHOW THE TOTAL AMOUNT OF NET INCOME RECEIVED BY THE OWNER AND SPOUSE FROM ALL SOURCES DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR. IT ALSO REMOVES THE REQUIREMENT FOR REPORTING THE TOTAL AMOUNT OF INCOME RECEIVED FROM ALL SOURCES BY EACH INDIVIDUAL MEMBER OF THE OWNER'S FAMILY RESIDING WITHIN THE HOMESTEAD.

**HB 967 GORDON
FIRST READ BY HOUSE 1/26/2010
ASSIGNED TO WAYS AND MEANS COMMITTEE, NO ACTION**

DID NOT PASS
DEFINES CONVEYANCE AND TAX OFFICIAL.

REQUIRES THE TAX COLLECTOR OR TAX COMMISSIONER TO PROVIDE A NEW OWNER OF REAL PROPERTY A BASIC HOMESTEAD EXEMPTION APPLICATION WITHIN 30 DAYS OF THE ACQUISITION. THIS PROVISION IS IN ADDITION TO THE OTHER NOTICES REQUIRED UNDER 48-5-56 AND 48-5-50.1.

**HB 975 ANDERSON
FIRST READ BY HOUSE 1/26/2010
DID NOT PASS**

PROVIDES FOR AN AD VALOREM TAX EXEMPTION (STATE, COUNTY, CITY, ALL SCHOOL DISTRICTS INCLUDING TAXES TO RETIRE BONDED INDEBTEDNESS) FOR RESIDENTIAL CONTRACTORS FOR NEWLY CONSTRUCTED RESIDENCES THE EXEMPTION WOULD CONTINUE THROUGH THE YEAR IN WHICH THE RESIDENCE IS SOLD OR OTHERWISE OCCUPIED OR DEC. 31 OF THE SIXTH YEAR FOLLOWING COMPLETION OF THE RESIDENCE.

NOT SURE WHAT OTHERWISE OCCUPIED MEANS.

THE CONTRACTOR OR HIS OR HER AGENT MUST FILE AN AFFIDAVIT WITHIN 30 DAYS OF THE ISSUANCE OF THE CERTIFICATE OF OCCUPANCY WITH THE TAX COMMISSIONER.

SECTION (d) DOES NOT MAKE SENSE IN THAT IT STATES THAT THE EXEMPTION IS AUTOMATICALLY RENEWED FROM YEAR TO YEAR AS LONG AS THE APPLICANT OCCUPIES THE RESIDENCE AS A HOMESTEAD?

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HB 975 ANDERSON (continued)

THE EXEMPTION SHALL APPLY TO ALL TAXABLE YEARS BEGINNING ON OR AFTER JAN 1, 2011.

THIS LEGISLATION REQUIRES A STATEWIDE REFERENDUM.

THIS LEGISLATION CAN BE EXTREMELY COSTLY TO LOCAL GOVERNMENTS DEPENDING ON LEGISLATIVE INTENT WHICH IS QUESTIONABLE ACCORDING TO THE LANGUAGE OF THE BILL.

HB 996 MAY

HB 483 WAS AMENDED IN THE SENATE TO INCLUDE THE PROVISIONS OF HB 996.

PASSED SENATE FINANCE COMMITTEE 4/14/2010

DID NOT PASS

THIS LEGISLATION PROVIDES FOR AN AD VALOREM TAX CREDIT IN THE AMOUNT OF UP TO \$100,000.00 FOR HEAVY-DUTY EQUIPMENT MOTOR VEHICLES DURING THE 2010 CALENDAR YEAR. THIS CREDIT IS TO BE PRORATED TO VARIOUS COUNTIES IN WHICH THE TAX IS DUE. THE ORIGINAL BILL INTRODUCED IN 2009 PROVIDED FOR AN EXEMPTION FROM AD VALOREM TAXATION TO A MAXIMUM AMOUNT OF \$100,000.00 PER TAXABLE YEAR.

THE FISCAL NOTE IN 2009 SHOWED A LOSS OF REVENUE TO LOCAL GOVERNMENTS IN AN AMOUNT OF \$50 MILLION DOLLARS OVER A TWO YEAR PERIOD.

HB 1028 ROBERTS

HOUSE AGREED TO SENATE SUBSTITUTE 4/21/2010

AWAITING SIGNATURE OF GOVERNOR

Amendments of the Forest Land Protection Act of 2008

Lifts the definition of Contiguous out of the rules and regulations of the Department of Revenue and places it in the statute and adds the words "natural boundaries."

Clarifies language to state that a minimum of 200 acres can only be transferred from an original covenant and remain eligible without breach in the covenant.

Makes the breach provisions clear in that only the breaching party is subject to the interest and penalty provisions of the act and that they apply on the entire tract of land on which the breach occurred.

Requires that when land subject to a covenant is transferred, that it be done in a bona fide arm's length transaction.

HB 1041 EPPS

HOUSE ADOPTED 3/18/2010

PASSED SENATE FINANCE 4/14/2010

DID NOT PASS

Under current law, the Revenue Commissioner can withhold approval of a county tax digest if the percentage of properties that have filed appeals or arbitration is 3% (or 5% in a revaluation year). This provision is deleted in this legislation. When the county commission and the school board agree that an acceptable

amount of properties in appeal are reasonable, then they would set their millage rates and submit the digest.

HB 1082 POWELL

HOUSE ADOPTED 3/17/2010

SENATE ADOPTED 4/27/2010

AWAITING SIGNATURE OF GOVERNOR

Expands the Freeport exemption for ad valorem taxes. Creates a level 2 Freeport exemption from ad valorem taxes which expands the Freeport exemption to include the inventory of finished goods held by one in the business of making sales of such goods in this state.

The exemption must be authorized by the governing authority of any county or municipality after being approved by a referendum of the electors of such county or municipality.

The level 2 Freeport exemption shall include all such taxes levied for educational purposes and state purposes.

The governing authority of any county or municipality, wherein an exemption has been approved by the voters, may exempt from taxation 20%, 40%, 60%, 80% or all of the value of such tangible personal property.

Exemptions may only be revoked by a referendum election and not sooner than five years from the date such exemptions were first granted. The revocation, if approved, shall be effective only at the end of a five-year period from the date of such referendum.

Level 2 Freeport exemptions may be granted either in lieu of or in addition to level 1 (existing Freeport exemptions in law) Freeport exemptions.

HB 1105 CHANNELL

HOUSE ADOPTED AS COMMITTEE SUBSTITUTE 3/25/2010

SENATE ADOPTED 4/27/2010

AWAITING SIGNATURE OF GOVERNOR

Extends the sunset on the ad valorem tax exemption for watercraft inventory for an additional two years

HB 1139 MILLS

HOUSE ADOPTED AS COMMITTEE SUBSTITUTE 3/24/2010

PASSED SENATE FINANCE UNANIMOUSLY 4/19/2010

DID NOT PASS

This legislation requires that the board of tax assessors give an annual notice to the taxpayer of such taxpayer's returns regardless of whether any changes or corrections, including valuation increases, decreases, or equalizations, have been made.

In addition to the annual notice, the notice shall contain a statement of the taxpayer's right to an appeal and an estimate of the current year's taxes. HB 1139 also provides for a right of appeal (1) to the county board of tax assessors followed by an appeal to the county board of equalization or to nonbinding arbitration and in either case, to appeal to the superior court, or (2) to binding arbitration without an appeal to the superior court.

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HB 1139 MILLS (Continued)

An appeal must be filed no later than 45 days after the date of the notice.

It removes a provision to post a notice in front of the courthouse door on mailed but returned undelivered notices.

HB 1148 KNIGHT

FIRST READ IN THE HOUSE 2/10/2010

REFERRED TO WAYS AND MEANS COMMITTEE, NO ACTION

DID NOT PASS

States that the limitations provided for in HB 233, passed in the 2009 session, shall not apply for the 2010 tax year only to any county which was under a signed contract executed prior to February 28, 2009, and to have performed on its behalf a comprehensive county-wide revaluation of all properties in the county to be completed in 2010.

HB 1158 MEADOWS

FIRST READ IN THE HOUSE 2/11/2010

REFERRED TO WAYS AND MEANS COMMITTEE, NO ACTION

DID NOT PASS

States that once a levy is made or posted on the property, the sheriff shall collect, in addition to any other costs, commissions, interest and penalties, actual expenses incurred by the county in issuing the execution, and administering the levy, by imposing a levy administration fee, which shall be 5 percent of the delinquent tax or \$250.00, whichever is the lesser.

HB 1186 ROBERTS

HOUSE ADOPTED AS COMMITTEE SUBSTITUTE 3/17/2010

SENATE ADOPTED 4/27/2010

AWAITING SIGNATURE OF GOVERNOR

Provides for an ad valorem tax exemption for a public-private transportation project on property either owned or leased by the state, a state agency, or another governmental entity and which is developed, operated, or held by a private partner. Such property shall be considered public property. Further, this property shall not constitute a special franchise and shall not be subject to the provisions for special franchises. This legislation requires a state-wide referendum.

HB 1190 KNIGHT

FIRST READ IN HOUSE 2/17/2010

REFERRED TO WAYS AND MEANS COMMITTEE, NO ACTION

DID NOT PASS

This legislation requires the board of assessors to give annual written notice to a property owner regardless of whether any changes or corrections, including valuation increases, decreases, or equalizations, have been made. It also requires stating an estimated millage rate that would result in the taxpayer paying the same amount of ad valorem taxes as the previous year and an estimate of the current year's taxes. An appeal may be made to

nonbinding arbitration with an appeal to the superior court or to binding arbitration without an appeal to the superior court.

The requirement for the posting of a notice in front of the courthouse, in the event that a mailed notice is returned undeliverable to the county board of tax assessors, has been deleted.

HB 1222 O'NEAL

FIRST READ IN HOUSE 2/18/2010

REFERRED TO WAYS AND MEANS COMMITTEE, NO ACTION

Dummy Vehicle

HB 1248 HARDEN

FIRST READ IN HOUSE 2/18/2010

REFERRED TO WAYS AND MEANS COMMITTEE, NO ACTION

DID NOT PASS

Provides for an additional ad valorem fee for apportionable vehicles in an amount equal to 50 percent of the annual fee collected by the Department of Revenue for IRP vehicles, regardless of their domicile. This fee will be collected by the department at the time the annual registration fee is collected.

The ad valorem fee shall be distributed by the department to the counties where the vehicles are domiciled if the vehicles are domiciled in Georgia or to the general fund of the state if the vehicles are not domiciled in Georgia.

No other ad valorem tax may be assessed against apportionable vehicles by the state or by any county or municipality in the state.

No additional ad valorem fee shall be due on any commercial trailer or semi-trailer registered in this state.

HB 1249 LUNSFORD

PASSED SPECIAL COMMITTEE ON SMALL BUSINESS DEVELOPMENT AND JOB CREATION AS COMMITTEE SUBSTITUTE 3/17/2010

NOT CONSIDERED BY CROSSOVER DAY

DID NOT PASS

This legislation is permissive and provides for a freeport ad valorem tax exemption for businesses located in a county or municipality which create a minimum of 50 jobs as determined by the Department of Economic Development.

It requires a referendum in the city and/or county and will be in effect for a period of three years. It will include all taxes levied for educational purposes and on all inventory goods subject to an ad valorem tax exemption under the freeport statute.

HB 1405 O'NEAL

HOUSE ADOPTED 3/26/2010

SENATE ADOPTED 4/20/2010

AWAITING SIGNATURE OF GOVERNOR

Creates a 2010 Special Council on Tax Reform and Fairness for Georgians and the Special Joint Committee on Georgia Revenue Structure

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SB 118 BROWN

SENATE ADOPTED 3/18/2010

**PASSED WAYS AND MEANS AS COMMITTEE
SUBSTITUTE 4/20/2010**

DID NOT PASS

No person who is serving on a county board of tax assessors or who has served a county board of tax assessors within the preceding 12 month period shall be eligible to serve as an employee of that board until the expiration of the 12 month period following such person's service as a member of the board.

SB 346 ROGERS

SENATE ADOPTED 3/11/2010

HOUSE ADOPTED 4/21/2010

HOUSE AGREES TO SENATE SUBSTITUTE 4/29/2010

AWAITING SIGNATURE OF GOVERNOR

Comprehensive revision to ad valorem tax administration.

Some of the provisions:

Requires annual assessment notices to be sent to all property owners regardless if the valuations have not changed. Appeals must be made within 45 days of receiving the assessment notices. Included with the assessment notices will be an estimated tax bill based on the current valuations and the previous year's millage rates. Assessment notices must be made by July 1 of each year.

This legislation provides that when the taxpayer and the Board of Assessors agree on an appeal that the appeal may terminate. All penalties on counties are eliminated while the assessment restrictions under HB 233 are in place.

When properties are sold, the legislation requires that the sales price shall be the maximum allowed value for the fair market value for at least the first year after the sale.

While SB 346 provides some positive improvements to the existing ad valorem tax appeal process, it still contains language which will cause local governments costly notification provisions resulting in many more appeals

SB 377 BUCKNER

REFERRED TO SENATE FINANCE COMMITTEE 2/8/2010

CAN NO LONGER BE CONSIDERED THIS SESSION

DID NOT PASS

Creates a County Property Tax Evaluation Committee in each county. Membership will be made up of the county board of commissioners, the members of the county board of tax assessors, the tax commissioner, and the state legislators whose district includes part or all of the county. Additional members may be added by a local Act of the General Assembly.

The purpose of the Committee shall be to conduct annual meetings for the evaluation of property tax assessments in the upcoming year.

SB 513 GRANT

REFERRED TO SENATE FINANCE 3/17/2010

CAN NO LONGER BE CONSIDERED THIS SESSION

DID NOT PASS

Provides for ad valorem tax exemptions for nonprofits

SB 517, SR 1287

SB 517 SENATE ADOPTED 3/26/10

CAN NO LONGER BE CONSIDERED THIS SESSION

DID NOT PASS

Repeals state quarter mil levy for ad valorem taxes. Fiscal note approximately \$70million.

HB 1055, LIVITAS

AWAITING SIGNATURE OF GOVERNOR

This bill phases out the state ¼ mil levy for ad valorem tax by 2016.

(b)(1) For taxable years beginning on or after January 1, 2011, and prior to January 1, 2012, the levy under subsection (a) of this Code Section shall be 0.25 mills.

(2) For taxable years beginning on or after January 1, 2012, and prior to January 1, 2013, the levy under subsection (a) of this Code Section shall be 0.2 mills.

(3) For taxable years beginning on or after January 1, 2013, and prior to January 1, 2014, the levy under subsection (a) of this Code Section shall be 0.15 mills.

(4) For taxable years beginning on or after January 1, 2014, and prior to January 1, 2015, the levy under subsection (a) of this Code Section shall be 0.1 mills.

(5) For taxable years beginning on or after January 1, 2015, and prior to January 1, 2016, the levy under subsection (a) of this Code Section shall be 0.05 mills.

(6)(A) For taxable years beginning on or after January 1, 2016, there shall be no levy for state taxation under subsection (a) of this Code section.