

House Bill 282 (AS PASSED HOUSE AND SENATE)

By: Representatives Meeks of the 178th, England of the 116th, Hatchett of the 150th, Watson of the 172nd, and Dickey of the 140th

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 13 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
2 relating to ad valorem taxation of qualified timberland property, so as to add a definition; to
3 limit the determination of fair market value to a weighted market and income approach to
4 valuation; to revise certain requirements for certification of qualified timberland property;
5 to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Article 13 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad
9 valorem taxation of qualified timberland property, is amended by revising Code Section
10 48-5-600, relating to definitions, as follows:

11 "48-5-600.

12 As used in this article, the term:

13 (1) 'Bona fide production of trees' means the good faith, real, actual, and genuine
14 production of trees for commercial uses.

15 (2)(A) 'Contiguous' means real property within a county that abuts, joins, or touches
16 and has the same undivided common ownership.

17 (B) If an applicant's tract is divided by a county boundary, public roadway, public
 18 easement, public right of way, natural boundary, land lot line, or railroad track, then the
 19 applicant may make an election at the time of application to declare the tract as
 20 contiguous irrespective of a county boundary, public roadway, public easement, public
 21 right of way, natural boundary, land lot line, or railroad track.

22 (3) 'Qualified owner' means an individual or entity that meets the conditions of Code
 23 Section 48-5-603.

24 ~~(3)~~(4) 'Qualified timberland property' means timberland property that meets the
 25 conditions of Code Section 48-5-604.

26 ~~(4)~~(5) 'Timberland property' means tangible real property that has as its primary use the
 27 bona fide production of trees for the primary purpose of producing timber for commercial
 28 uses."

29 **SECTION 2.**

30 Said article is further amended by revising subsection (d) of Code Section 48-5-602, relating
 31 to adoption and maintenance of qualified timberland property manual, as follows:

32 "(d) Such manual shall contain:

33 (1) Complete parameters for the appraisal of qualified timberland property, which shall
 34 be limited to determining the fair market value of qualified timberland property through
 35 a market approach to valuation, which shall constitute 50 percent of the value, and an
 36 income approach to valuation, which shall constitute 50 percent of the value;

37 (2) A table of regional values for qualified timberland property based on the geographic
 38 locations and productivity levels within the state; and

39 (3) A prescription of methods and procedures by which identification data, appraisal and
 40 assessment data, sales data, and any other information relating to the appraisal and
 41 assessment of property shall be furnished to the department using electronic data
 42 processing systems and equipment."

43

SECTION 3.

44 Said article is further amended by revising Code Section 48-5-604, relating to certification
45 as qualified timberland property, requirements, annual updating, audit, and filing with county
46 tax officials, as follows:

47 "48-5-604.

48 (a) Upon application by a qualified owner, the commissioner shall certify as qualified
49 timberland property any timberland property that is titled to a qualified owner, provided
50 that:

51 (1) The timberland property is at least 50 contiguous acres;

52 (2) The production of trees on the timberland property is being done for the purpose of
53 making a profit and is the primary activity taking place on the property;

54 (3) A consistent effort has been clearly demonstrated in land management in accordance
55 with accepted commercial forestry practices, which may include reforestation, periodic
56 thinning, undergrowth control of unwanted vegetation, fertilization, prescribed burning,
57 sales of timber, and maintenance of firebreaks; and

58 (4) Such qualified owner:

59 (A) Submits a list of all parcels to the commissioner that contain timberland property
60 and that identify the specific portions of such parcels that such owner certifies are
61 timberland property; and

62 (B) Certifies that such timberland property is used for the bona fide production of trees
63 and that:

64 (i) There is a reasonable attainable economic salability of the timber products within
65 a reasonable future time; and

66 (ii) The production of trees is being done for the purpose of making a profit and is the
67 primary activity taking place on the property.

68 (b)(1) The qualified owner's submission provided for in paragraph (4) of subsection (a)
69 of this Code section shall be certified by the qualified owner through the submission of

70 an affidavit. Such submission and shall be updated annually through the submission of
71 a new affidavit filed together with such qualified owner's return required by subsection
72 (a) of Code Section 48-5-601. For each application or annual update, a qualified owner
73 shall be entitled to submit one such affidavit covering all of the qualified owner's
74 timberland property. With respect to the provisions of subparagraph (a)(4)(B) of this
75 Code section, the requirements shall be satisfied through an attestation by the qualified
76 owner in the required affidavits that the timberland property is used for the bona fide
77 production of trees and is consistently managed with generally accepted commercial
78 forestry practices. If such conditions are not met annually, the real property at issue shall
79 be decertified as qualified timberland property and the commissioner shall notify the
80 respective county tax officials of such decertification by April 15 of the respective year.
81 (2) The commissioner shall be authorized to conduct an audit of any list submitted
82 pursuant to this Code section.
83 (3) With respect to the list of all parcels that contain timberland property that is required
84 to be submitted to the commissioner pursuant to subparagraph (a)(4)(A) of this Code
85 section, the commissioner shall accept:
86 (A) A parcel map drawn by the county cartographer or GIS technician and signed by
87 the county board of assessors and qualified owner;
88 (B) A legal description of the property;
89 (C) A plat of the property prepared by a licensed land surveyor showing the location
90 and measured area of the parcel; or
91 (D) A written legal description of the property delineating the metes and bounds and
92 measured area.
93 (4) With respect to the certification that such timberland property is used for the bona
94 fide production of trees that is required pursuant to subparagraph (a)(4)(B) of this Code
95 section, the qualified owner shall not be required to submit a simple Forest Management
96 Plan.

97 (c) The commissioner shall file certifications of qualified timberland property with the
98 respective county tax officials in which any of such real property exists by April 15 each
99 year."

100

SECTION 4.

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