

House Bill 406 (AS PASSED HOUSE AND SENATE)

By: Representatives Williamson of the 115th and Powell of the 171st

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 36 and Title 48 of the Official Code of Georgia Annotated, relating to local
2 government and revenue and taxation, respectively, so as to require joint authorities to
3 furnish certain information necessary for the state revenue commissioner or the state auditor
4 to determine the net impact of their activities on associated tax digests; to require the use of
5 such net impact to determine equalized adjusted property tax digests; to provide for rules and
6 regulations; to provide for related matters; to provide for an effective date; to repeal
7 conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 style="text-align:center">**SECTION 1.**

10 Title 36 of the Official Code of Georgia Annotated, relating to local government, is amended
11 in Code Section 36-62-5.1, relating to joint authorities, by adding a new subsection to read
12 as follows:

13 "(g)(1) By May 15, 2019, and then by February 15, 2020, and annually thereafter, each
14 joint authority with established revenue sharing agreements between the joint authority
15 and its participating local governments and revenue emanating pursuant to such an
16 agreement shall furnish to the state revenue commissioner and the state auditor:

17 (A) A statement that identifies and separately states all real and personal property and
18 all property interests that are owned, in part or in full, by such joint authority together
19 with the nature of any encumbrances, liens, or covenants on such property;

20 (B) A complete copy of all current agreements or contracts related to such joint
21 authority that are between or among one or more counties, municipalities, joint
22 authorities, or private parties that references matters related to taxation, payments in
23 lieu of taxation, tax abatements, leasehold interests or estates, leaseback agreements,
24 or the sharing of revenue, funds, fees, taxes, assessments, fines, or any other income;
25 and

26 (C) All additional information determined by the state revenue commissioner or state
 27 auditor to be necessary to accurately determine the net taxable digest of each county or
 28 municipality participating in such joint authority and any affected school district.

29 (2) The information compiled by the state auditor pursuant to this subsection shall be
 30 utilized in determining any equalized adjusted property tax digest prepared pursuant to
 31 Code Section 48-5-274.

32 (3) On or before July 1, 2019, and then on or before April 1, 2020, and annually
 33 thereafter, a report that compiles the information gathered by the state auditor and that
 34 sets out the net impact of the total activities of the joint authority on the tax digest of each
 35 affected taxing jurisdiction shall be furnished to the tax commissioner of each affected
 36 county, to the governing authority of each affected county or municipality, to each
 37 affected local board of education, to the joint development authority, and to the State
 38 Board of Education. Each tax commissioner shall utilize such net impact to adjust the net
 39 assessed value of each of his or her taxing jurisdictions in order to fully account for
 40 activities of any joint authority in digest values submitted pursuant to Code Sections
 41 48-5-32 and 48-5-32.1.

42 (4) The state revenue commissioner and the state auditor shall be authorized to:

43 (A) Conduct audits of any joint authority subject to the requirements of this subsection;
 44 and

45 (B) Promulgate rules and regulations necessary to administer, implement, and enforce
 46 this Code section."

47 **SECTION 2.**

48 Title 48 of the Official Code of Georgia Annotated, relating to revenue and taxation, is
 49 amended in Code Section 48-5-274, relating to establishment of equalized adjusted property
 50 tax digest, establishment and use of average ratio, information to be furnished by state
 51 auditor, grievance procedure, and information to be furnished by commissioner, by revising
 52 subsection (b) as follows:

53 "(b) The state auditor shall establish on a continuing basis, no later than November 15 in
 54 each year, an equalized adjusted property tax digest for each county in the state and for the
 55 state as a whole for the current calendar year. Such digest shall exclude all real and
 56 personal property exempted from taxation and the difference between the value of all
 57 taxable property within any tax allocation district and the tax allocation increment base of
 58 such tax allocation district as defined under paragraph (15) of Code Section 36-44-3 for
 59 which consent has been obtained pursuant to Code Section 36-44-9. The state auditor may
 60 establish a unit within the Department of Audits and Accounts consisting of such number
 61 of personnel as is deemed necessary in order to establish and maintain on a continuing

62 basis the equalized adjusted property tax digest. The equalized adjusted property tax digest
63 shall be established and maintained as follows:

64 (1) Determine the locally assessed valuation of the county property tax assessment digest
65 for the preceding calendar year, exclusive of real and personal property exempted from
66 taxation, exclusive of the difference between the value of all taxable property within any
67 tax allocation district and the tax allocation increment base of such tax allocation district
68 as defined under paragraph (15) of Code Section 36-44-3 for which consent has been
69 obtained pursuant to Code Section 36-44-9, exclusive of railroad equipment company
70 property shown on the county railroad equipment company property tax digest, exclusive
71 of any property subject to current use valuation on the county property tax digest, and
72 exclusive of the locally assessed valuation of timber harvested or sold;

73 (2) Determine the fair market value for timber harvested or sold during the calendar year;

74 (3) Divide the sum of the locally assessed valuation of the county property tax
75 assessment digest under paragraph (1) of this subsection by the ratio of assessed value to
76 fair market value of the property established by the state auditor in accordance with
77 paragraph (8) of this subsection;

78 (4) Determine the fair market value of the county railroad equipment company property
79 tax digest for the preceding calendar year;

80 (5) Determine the sum of the current use valuation of the county property tax digest;

81 (6) Determine the total fair market value of the Public Utility Digest as established by
82 the commissioner;

83 (6.1) Determine any adjustment necessary to account for the net activities on any digest
84 due to the activities of a joint authority as provided in Code Section 36-62-5.1;

85 (7) The total of the sums obtained through the calculations prescribed in paragraphs (2),
86 (3), (4), (5), ~~and (6)~~, and (6.1) of this subsection shall be known as the current equalized
87 adjusted property tax digest of the county. The sum of the current equalized adjusted
88 property tax digest of all counties of the state combined shall be known as the current
89 equalized adjusted property tax digest for the state as a whole; and

90 (8) Establish for each county in the state the ratio of assessed value to fair market value
91 of county property subject to taxation, excluding railroad equipment company property.
92 The ratio shall be determined by establishing the ratio of assessed value to sales price for
93 each of a representative number of parcels of real property, the titles to which were
94 transferred during a period of time to be determined by the state auditor, and then by
95 establishing the measure of central tendency for the county as a whole based upon a
96 representative number of usable transactions studied. Any such sales price shall be
97 adjusted upward or downward, in a manner consistent with the Standard on Ratio Studies
98 published by the International Association of Assessing Officers or its successors, as

99 reasonably needed to account for the effects of price changes reflected in the market
100 between the date of sale and January 1 of the calendar year for which the equalized
101 adjusted property tax digest is being prepared. Sales prices also shall be reduced by any
102 portion thereof attributable to personal property, real property exempt from taxation, or
103 standing timber included in the sales transaction. The representative number of
104 transactions shall not include any parcel of which the sales price is not reflective of the
105 fair market value of such property as fair market value is defined in Code Section 48-5-2.
106 The state auditor shall supplement realty sales price data available in any county with
107 actual appraisals of a representative number of parcels of farm property and industrial and
108 commercial property located within the county, the titles to which were not transferred
109 within the period of time determined by the state auditor. The state auditor may make
110 appraisals on other types of real property located within the county when adequate realty
111 sales data cannot be obtained on such property. The representative number of parcels of
112 each class of real property as defined by the commissioner used for the study shall be
113 determined by the state auditor. The state auditor may use the same ratio for other
114 personal property, excluding motor vehicles, within the county as is finally determined
115 for real property within the county."

116 **SECTION 3.**

117 This Act shall become effective upon its approval by the Governor or upon its becoming law
118 without such approval.

119 **SECTION 4.**

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