



DEPARTMENT
of REVENUE

CAVEAT 2024



THE
CLASSIC
CENTER

CAVEAT 2024



CAVEAT 2024



Vendor



Introductions

CAVEAT 2024



Announcements

Department of Revenue



GEORGIA DEPARTMENT
of REVENUE



Frank M. O'Connell
State Revenue Commissioner
Georgia Department of Revenue

CAVEAT 2024



Local Government Services

Announcements



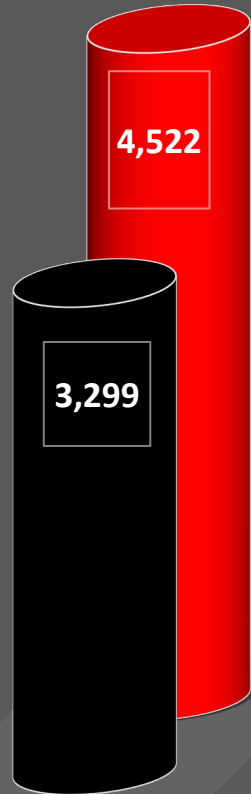
GEORGIA DEPARTMENT
of REVENUE



Jonathan Ussery, Director

Local Government Services Division

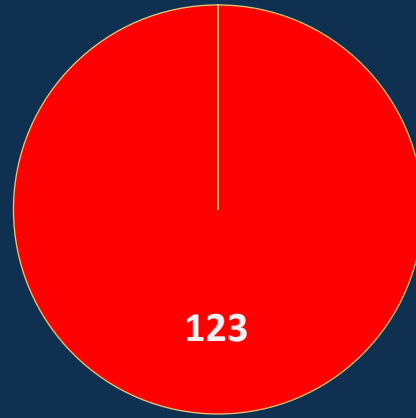
TOTAL STUDENTS CAPACITY vs. ATTENDANCE



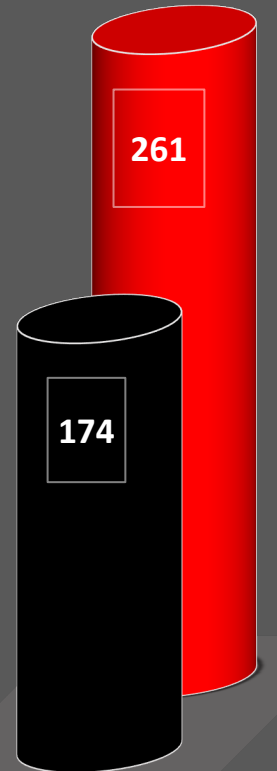
Sum of Attendance
Sum of Max Students

Total
3,299
4,522

TOTAL CLASSES HELD 2023



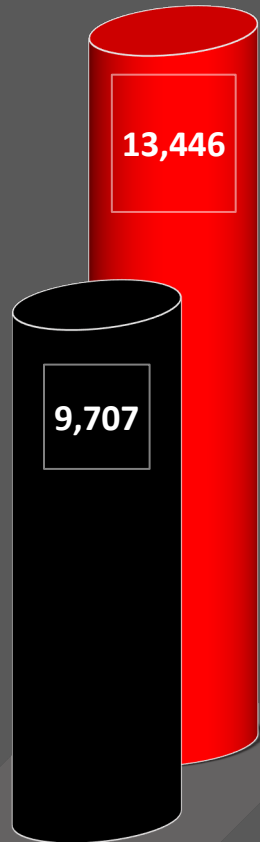
ONLINE TRAINING CAPACITY vs. ATTENDANCE



Sum of Attendance
Sum of Max Students

Total
174
261

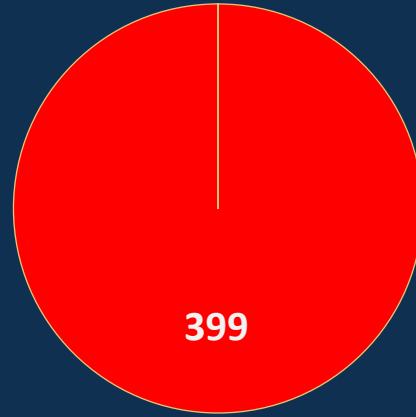
TOTAL STUDENTS CAPACITY vs. ATTENDANCE



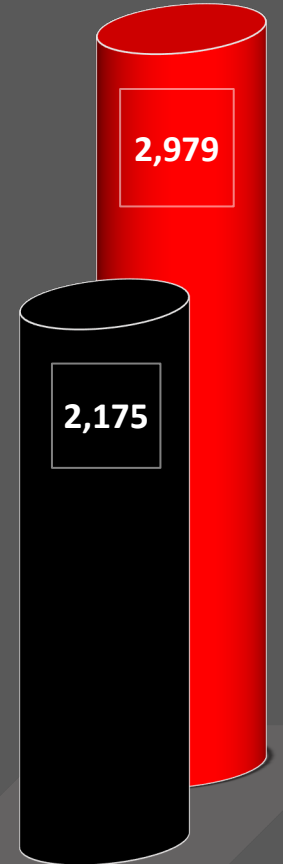
□ Sum of Attendance
■ Sum of Max Students

Total
9,707
13,446

TOTAL CLASSES HELD 2021-2023



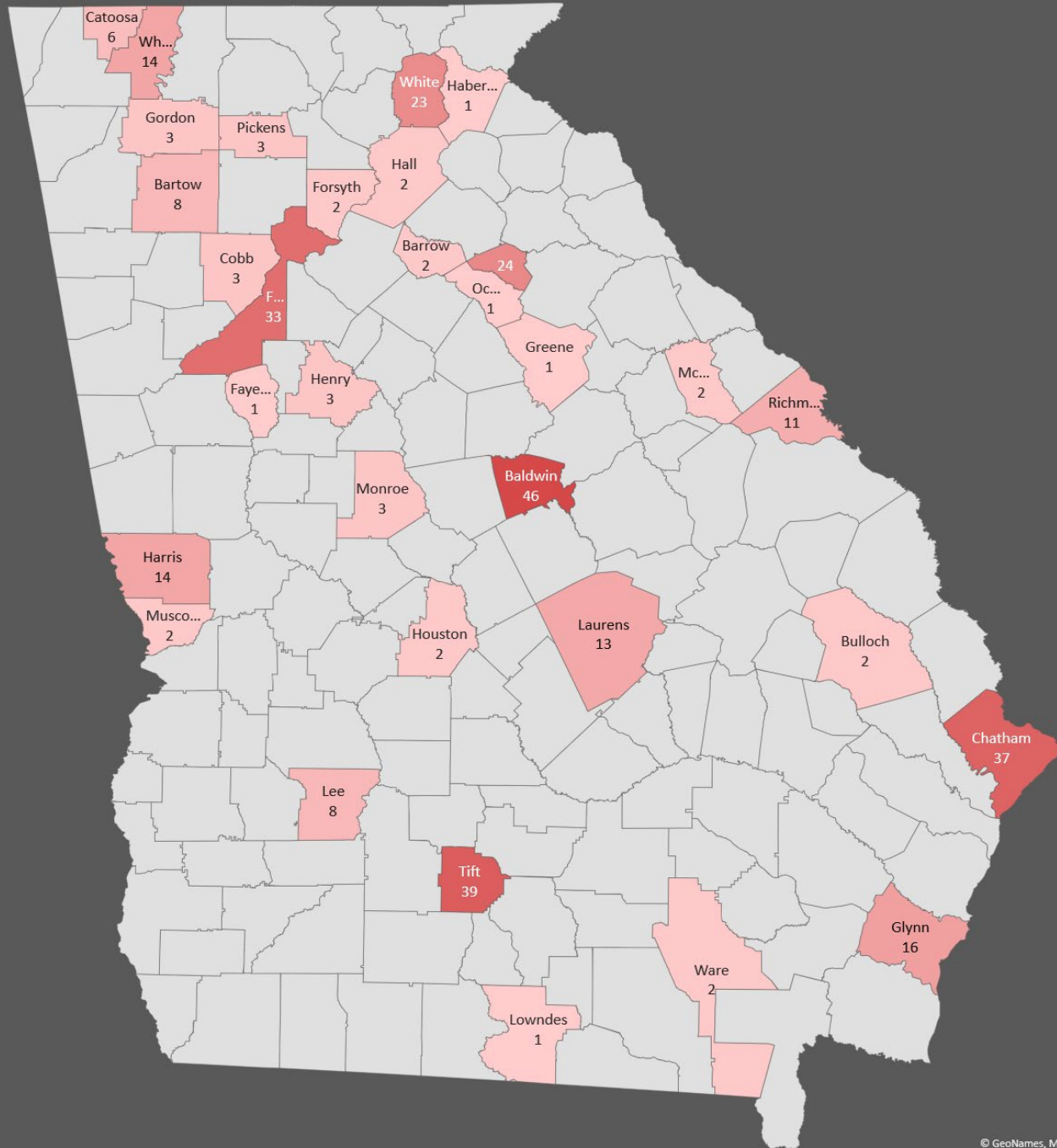
ONLINE TRAINING CAPACITY vs. ATTENDANCE



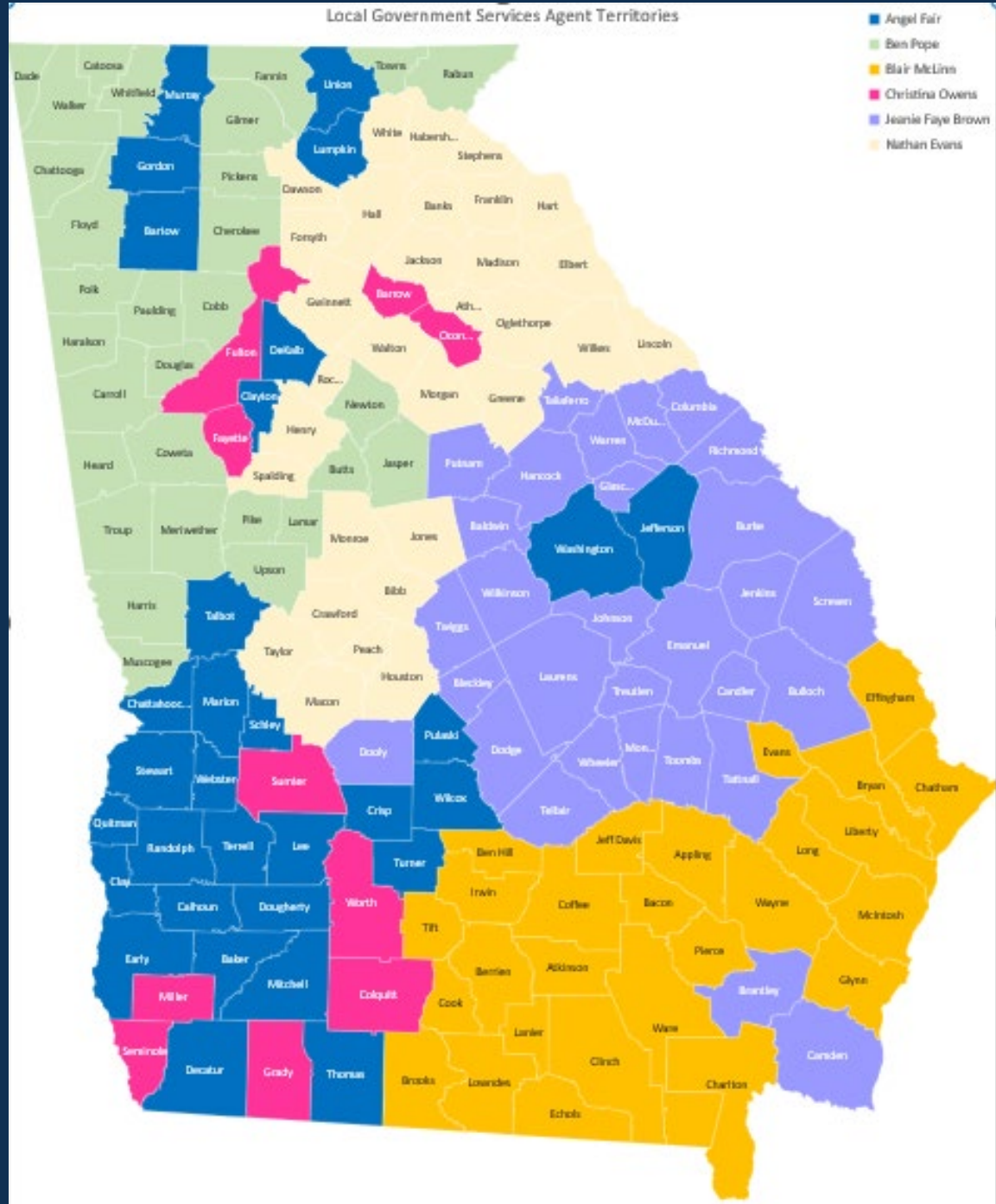
□ Sum of Attendance
■ Sum of Max Students

Total
2,175
2,979

Classes Held by Location 2021-2023



Local Government Services Agent Territories



Unclaimed Property

<https://gaclaims.unclaimedproperty.com>

An official website of the State of Georgia. [How you know](#) ▾

Language: English [Organizations A-Z](#)



DEPARTMENT of
REVENUE



Search

▾ Taxes ▾ Motor Vehicles Forms ▾ Alcohol & Tobacco ▾ Rules & Policies ▾ Local Government ▾ About DOR ▾ Help

CLAIMANT LOGIN

Welcome to Georgia Unclaimed Property Search

Search for Unclaimed Property

Check the Status of a Previously Filed Claim

There is **no charge** for this service!

All documents should be uploaded to expedite the claim process.

Search the Unclaimed Property Database to determine if there are unclaimed assets belonging to a person or business.

Each year funds are turned over by entities who are unable to contact property owners. These funds may be in the form of cash, stocks, bonds, securities, insurance benefits etc.

Unclaimed assets are reported in the name or social security number of the unclaimed property owner(s) along with any owner information (if available).

Claims for unclaimed property held by the State are processed by the Georgia Department of Revenue.

Unclaimed Property

<https://gaclaims.unclaimedproperty.com>



CAVEAT 2024



Announcements

CAVEAT

CAVEAT 2024



Local Government Services

Staff Introductions

CAVEAT 2024

Announcements



GCP



CAVEAT 2024

New Courses:

Personal Property Auditing and Verification



CAVEAT 2024

New Courses:

**Course IVA: Urban Valuation
Commercial Improvements
and Land Valuation.**



CAVEAT 2024

IAAO changes:



- **GCP will match credit hours taken through IAAO accredited courses**
- **IAAO Credit towards Appraiser Exam prerequisites**
- **SMS messaging from portal (local policies)**

CAVEAT 2024

Short Course 2024

2024, November 4 - November 8

Callaway Gardens

Pine Mountain, GA



Short Course 2024

Courses: 40 Hours Tentative

Course I – Assessor Certification

Course III – Personal Property

Course IVA – Urban Valuation

Course VII - Appeals

Advanced Specialized Assessments



CAVEAT 2024

Short Course 2024

Courses: 20 Hours Tentative



Specialized Assessments



GEORGIA DEPARTMENT
of REVENUE

Monthly Newsletter:

The Revenue Report

Local Government Services Division

Caveat 2024

Latest edition
will also be
available on our
department
website:

DOR.GA.GOV

***Local
Government
Services Section***

News from LGS



A screenshot of the Department of Revenue website. At the top, there is a dark blue header with the Department of Revenue logo and name on the left, and navigation links for "How you know", "English", and "Organizations" on the right. Below the header is a search bar. A main navigation menu includes "Taxes", "Motor Vehicles", "Alcohol & Tobacco", "Local Government", "Unclaimed Property", "About DOR", and "Careers". The "Local Government" section is highlighted. Below this, a sub-header reads "Local Government" with a description: "Local Government Services administers all property tax laws and regulations, distributes sales and use taxes to local taxing authorities, and administers the laws set forth in the Unclaimed Property Act." An "ABOUT US" button is visible. The main content area features six cards: "Digest Compliance", "Property Taxes", "Training Programs", "Central Assessment", "Distributions", and "News from LGS". Each card has a brief description and a "Learn more" link. A large brown arrow points from the right side of the page towards the "News from LGS" card.

PREVIOUS AND UPCOMING EDITIONS

■ Previous Editions Included:

- Appeals
- Chief Appraiser Spotlight
- FLPA Covenant Renewals
- QTP
- Q & A:
 - Common Questions
 - Mobile Homes & Personal Property
- Timeline for Taxpayers

■ Upcoming Edition Will Include:

- CAVEAT Recap
- Upcoming Events & Announcements
- New Legislation
- Digest Submission Info





QUESTIONS?



***PUBLISHED
NEWSLETTERS
AVAILABLE
ONLINE***



2024 NEW LEGISLATION



**LEGAL DISCLAIMER:
INFORMATION
PROVIDED DOES NOT
CONSTITUTE LEGAL
ADVICE**

CAVEAT AGENDA

1 HB 206

2 HB 1267

3 HB 1292

4 SB 420

5 SB 496



6 SB 324

7 SB 508

8 HB 581

9 HB 808

CAVEAT AGENDA

1 HB 206

2 HB 1267

3 HB 1292

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5 SB 496



6 SB 324

7 SB 508

8 HB 581

9 HB 808

CAVEAT AGENDA

- 1 HB 206 — Qualifying improvements with Development Authorities
- 2 HB 1267 — Georgia Tax Court
- 3 HB 1292 — Deeds ID

CAVEAT AGENDA

- 4 SB 420 — Transfer on death deed & Foreign own agriculture land
- 5 SB 496 — Historic Tax credit
- 6 SB 324 — ND victims of certain crimes

CAVEAT AGENDA

- 7 SB 508—ND of Judges
- 8 HB 581—Floating Homestead Exemption
Requirements for Property Tax Bill
Reappraisal of Parcels
Revise the limitation on values after appeal
Revise Notice of Assessment
- 9 HB 808—Personal Property Exemption

HB 206 — DEVELOPMENT AUTHORITIES



- 4/25/2024 - Date Signed by Governor
- This Act became effective upon its approval by the Governor
- Relates to downtown development authorities and development authorities

HB 206 — DEVELOPMENT AUTHORITIES

Creates NEW code section

- §36-62-6.2. Powers of development authorities relating to financing for qualifying improvements.
- (a) ...each authority shall have the following powers:
- (1) To make and execute intergovernmental assessment agreements, assessment agreements, and agreements for grants or loans to finance or refinance qualifying improvements;

HB 206 — DEVELOPMENT AUTHORITIES

Creates NEW code section

- §36-62-8.1. Revenue bonds, notes, or other obligations issued by an authority.
- (a) Revenue bonds, notes, or other obligations issued by an authority to finance or refinance the cost of any qualifying improvement shall be paid solely from the property

HB 206 — DEVELOPMENT AUTHORITIES

Creates NEW article § 36-62-15 — 36-62-19

- Known as “C-PACE” Commercial Property Assessed Clean Energy
- Allows for development authorities to create a land-secured financing district which acts as a mechanism for financing energy efficiency and renewable energy improvements on private commercial properties

HB 206 — DEVELOPMENT AUTHORITIES

Creates NEW article § 36-62-15 — 36-62-19

- C-PACE provides private funding for up to 100% of the costs of improvements, repayable over the life of the improvements at low fixed interest rates, utilizing existing special assessment and property tax systems to secure the financing and collect payments.
- Eligible properties for these improvements include privately owned or leased commercial, industrial, or agricultural real property, or multifamily residential real property with five or more dwelling units.

HB 206 — DEVELOPMENT AUTHORITIES

- Allows for commercial property owners to finance the up-front cost of energy or other eligible improvements on a property and then pay the costs back over time through a voluntary tax assessment through the Development Authority
- Qualifying improvements, including energy efficiency, water conservation, renewable energy, and resiliency improvements

HB 206 — DEVELOPMENT AUTHORITIES

- Provides for cities and counties to cooperate with development authorities in financing qualifying improvements by imposing special assessments on qualifying commercial properties
- The assessment is attached to the property rather than an individual, so financial obligations can be passed in the sale of the property

HB 1267 — GEORGIA TAX COURT



- Signed by Governor on May 6, 2024
- HR 1267 Amendment to the Constitution if ratified by the voters at the November, 2024 election
- This Act shall become effective for all other purposes on July 1, 2026
- Establishes the Georgia Tax Court to handle tax disputes within the state

HB 1267 — GEORGIA TAX COURT

- To amend Title 50 of the Official Code of Georgia Annotated, relating to state government, so as to repeal Chapter 13A, relating to tax tribunals; to amend Title 15 of the Official Code of Georgia Annotated, relating to courts, so as to create the Georgia Tax Court
- This legislation would create the Georgia Tax Court, transitioning the Georgia Tax Tribunal from an administrative court within the executive branch to a judicial branch court.

HB 1267 — GEORGIA TAX COURT

- This change would require a constitutional amendment, which would appear as a referendum question on the November 2024 ballot.
- If enacted, the new Georgia Tax Court would begin operations on January 1, 2026, and begin receiving cases on August 1, 2026

HB 1267 — GEORGIA TAX COURT

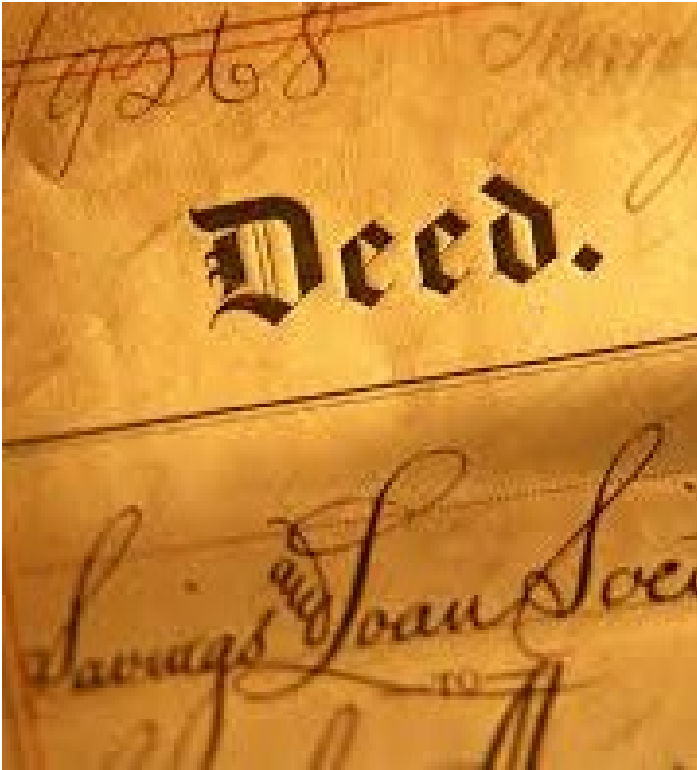
- (a) On and after August 1, 2026, any person may petition the court for relief as set forth in Code Section(s)...48-5-519....
- (e) The court shall also have jurisdiction over refund petitions filed pursuant to Code Section 48-5-342.

HB 1267 — GEORGIA TAX COURT



- The new Georgia Tax Court would generally operate similarly to the Georgia Tax Tribunal, but it would be able to hear constitutional issues and appeals would go directly to the Georgia Court of Appeals (as opposed to the current appeal process through the Fulton County Superior Court and then by application to the Georgia Court of Appeals)

HB 1292 — DEEDS ID



- Signed by Governor on May 6, 2024
- Part I of this Act shall become effective on January 1, 2025
- Part 2 of this Act shall become effective upon its approval by the Governor

HB 1292 — DEEDS ID



- Requires the clerks of the superior courts to obtain photographic identification cards of individuals who present deeds or other instruments for recording
- also requires notaries to keep written or electronic journals of each deed they notarize, including dates, times, locations and forms of identification

HB 1292 — DEEDS ID



- To aid in the prevention of seller impersonation deed fraud
- Defines the term "self-filer"
- Requires certain notices be included in certain solicitations regarding the purchase of real property
- Provides remedies for fraudulently recorded deeds

HB 1292 — DEEDS ID

Amends § 44-2-2

- Deeds; Mortgages; Liens; Maps or plats; & State tax executions and state tax execution renewals recording by a self-filer shall be submitted using electronic filing.
- This bill also has several other provisions that address real estate transactions along with consequences for filing false deeds

HB 1292 — DEEDS ID

Amends § 44-2-39

- Any individual wanting to submit electronic documents for recording, must provide through the authority's electronic filing portal information sufficient to identify such individual. Such information may include, without limitation, a copy of the individual's driver's license, passport, military identification card, or personal identification card authorized
- Any information required to be provided by an individual shall be treated as confidential

HB 1292 — DEEDS ID

Amends § 45-17-8 Powers of Public Notaries

- (e) In performing any notarial act, a notary public shall confirm the identity of the document signer, oath taker, or affirmant ~~based on personal knowledge or on satisfactory evidence. Such satisfactory evidence shall include, but not be limited to,~~ by verification of a government issued photo identification document, including without limitation a valid driver's license, personal identification card authorized under Code Sections 40-5-100 through 40-5-104, or a military identification card such as a Veterans Health Identification Card issued by the United States Department of Veterans Affairs, or based on personal knowledge.

HB 1292 — DEEDS ID

Amends § 10-1-393.19. Unsolicited inquiries.

- This bill also requires a person(s) who makes unsolicited offers to purchase someone's property to provide a notice, in capital letters: "THIS OFFER MAY OR MAY NOT BE THE FAIR MARKET VALUE OF THE PROPERTY".
- If the solicitation is for less than the appraised fair market value of the property, the solicitor must also give written notice that "THIS OFFER IS LESS THAN THE COUNTY ASSESSED VALUE FOR THIS PROPERTY".

HB 1292 — DEEDS ID

Amends § 51-9-12

- Recover the owner's actual damages caused by the filing, entering, or recording of such false or forged deed or other instrument or \$5,000.00, whichever is greater
- Recover the owner's costs incurred in bringing such action, including reasonable attorney's fees.

SB 420 — TRANSFER ON DEATH DEED & FOREIGN OWN AGRICULTURE LAND



- Signed by Governor on April 30, 2024
- This Act effective on July 1, 2024
- Provides for a limitation regarding property rights for certain foreign persons and entities & provide for transfer-on-death deeds

SB 420 — TRANSFER ON DEATH DEED & FOREIGN OWN AGRICULTURE LAND



- Limits property rights for certain foreign entities and individuals
- Prohibits nonresident aliens from countries that the federal government has designated as foreign adversaries from acquiring land used for farming or within 10 miles of a military installation

SB 420 — TRANSFER ON DEATH DEED & FOREIGN OWN AGRICULTURE LAND



- Allows property owners to designate a beneficiary to automatically inherit their property upon their death through a transfer-on-death deed.
- A transfer-on-death deed need not be supported by consideration.
- If and when the owner dies, the deed is transferred to the designee.
- These deeds shall not be revoked by wills.

SB 496 – HISTORIC TAX CREDIT



- Expands the criteria for a home to be certified as historic, Certified by Department of Community Affairs
- Extends the sunsets for the tax credits for rehabilitation of historic homes and structures by two years to December 31, 2029

SB 324 — NON-DISCLOSURE VICTIMS OF CERTAIN CRIMES



NON-DISCLOSURE

- Provides for a victim centered address confidentiality program
- Provides for designation of confidential addresses
- Provides for certification of program participants

SB 324 — NON-DISCLOSURE VICTIMS OF CERTAIN CRIMES

- Establishes a victim-centered address confidentiality program for survivors of domestic violence, dating violence, stalking, human trafficking, and sexual assault.
- (a) Upon a participant providing a copy of his or her address confidentiality card to a governmental entity and requesting that such governmental entity only use his or her designated address, the governmental entity shall only use the participant's designated address.

SB 324 — NON-DISCLOSURE VICTIMS OF CERTAIN CRIMES

(3) 'Governmental entity' means:

- (A) Every state department, agency, board, bureau, office, commission, public corporation, and authority;
- (B) Every county, municipal corporation, school district, or other political subdivision of this state;
- (C) Every department, agency, board, bureau, office, commission, authority, or similar body of each such county, municipal corporation, or other political subdivision of the state; and
- (D) Every city, county, regional, or other authority established pursuant to the laws of this state.

SB 324 — NON-DISCLOSURE VICTIMS OF CERTAIN CRIMES

- Governmental entities receiving or sharing a confidential address pursuant to this Code section shall establish procedures to protect the confidential address from further disclosure.
- A participant's certification shall be valid for four years and may be renewed.

SB 508 — NON-DISCLOSURE JUDGES



NON-DISCLOSURE

- 5/6/2024 - Date Signed by Governor
- This Act shall become effective on July 1, 2025.

SB 508 — NON-DISCLOSURE JUDGES



NON-DISCLOSURE

- Provides for duties of the Administrative Office of the Courts relative to accessibility of certain personal information of state and federal judges, justices, and spouses thereof

SB 508 — NON-DISCLOSURE JUDGES

(2) 'Protected person' means any current or former:

- (A) Elected or appointed judge or justice of this state and his or her spouse;
- (B) Elected or appointed judge of any county or municipality of this state and his or her spouse; and
- (C) Appointed judge or justice of the United States and his or her spouse.

SB 508 — NON-DISCLOSURE JUDGES

- (3) 'Publicly available content' means any written or electronic document or record that provides information or that serves as a document or record maintained, controlled, or in the possession of a state or local government entity that may be obtained by any person from the internet or from such state or local government agency upon request whether free of charge or for a fee.
- (4) 'Public posting or display' means to communicate information or otherwise make information available to the general public.

SB 508 — NON-DISCLOSURE JUDGES

- The Administrative Office of the Courts would create and maintain a database of protected judges and personally identifiable information.
- To regularly identify each state or local government entity that possesses personally identifiable information.

SB 508 — NON-DISCLOSURE JUDGES

- Within 30 days of receipt of written notice from the Administrative Office of the Courts, a state or local government entity that has received such notice shall restrict personally identifiable information from publicly available content and public posting.
- Any protected person may bring an action in a court against any officer or employee of the state or local government entity in his or her individual capacity for failure to comply

HB 581



Revise Notice of Assessment



New Requirements for Property Tax Bill



Definitions



Reappraisal of Parcels



Revise the limitation on values after appeal



Floating Homestead Exemption

HB 581 – ASSESSMENT NOTICE

- Adds new requirements for Notices of Assessment
- Issued to each taxpayer of taxable real property

ANNUAL NOTICE OF ASSESSMENT

ANNUAL NOTICE OF ASSESSMENT



Off

ASSESS

HB 581 – ASSESSMENT NOTICE

Changes to NOA (Notice of Assessment)

- Removes the estimated taxes from all levying authorities
- the notice shall contain a statement of the taxpayer's right to an appeal ~~and an estimate of the current year's taxes for all levying authorities~~ which shall be in substantially the following form:

HB 581 – ASSESSMENT NOTICE

Changes to NOA (Notice of Assessment)

- Removes the estimated tax statement
- ~~(B) The notice shall also contain the following statements in bold print:~~
- ~~'The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.'~~''

ANNUAL NOTICE OF ASSESSMENT

Notice Date: <insert date>

**This is not a tax bill
Do not send payment**

Last Date To File Appeal:
<insert date>

County property records are available online at:
<insert county website address>

Official Tax Matter - <year> Assessment

The amount of your ad valorem tax bill for the year shown above will be based on the appraised (100%) and assessed (40%) values specified in this notice. You have the right to appeal these values to the County Board of Tax Assessors. All documents and records used to determine the current value are available upon request. Additional information on the appeal process may be obtained at <https://etax.dor.ga.gov/ptd/taxguide/appeals.aspx>

At the time of filing your appeal you must select one of the following options:

- (1) Appeal to the County Board of Equalization with appeal to the Superior Court. (value, uniformity, denial of exemption, taxability)
- (2) To arbitration without an appeal to the Superior Court (valuation is the only grounds that may be appealed to arbitration)
- (3) For a parcel of non-homestead property with a FMV in excess of \$1 million, to a hearing officer with appeal to the Superior Court.

If you wish to file an appeal, you must do so in writing no later than 45 days after the date of this notice. If you do not file an appeal by this date, your right to file an appeal will be lost. Appeal forms which may be used are available at <insert forms availability location here>

For further information on the proper method of filing an appeal, you may contact the county Board of Tax Assessors which is located at <insert physical location of BOA office here> and which may be contacted by telephone at: <insert telephone #>. Your staff contacts are <insert name> and <insert name>.

Account Number	Property ID Number	Acreage	Tax Dist	Covenant Year	Homestead
Property Description					
Property Address					
Fair Market Value	Returned Value	Previous Year Value	Current Year Value	Preferential Value	
100% Fair Market Value					
40% Assessed Value					

REASONS FOR NOTICE

The estimate of your ad valorem tax bill for the current year is based on the previous year's net millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.

Taxing Authority	Other Exempt	Homestead Exempt	Net Taxable Value	Previous Millage	Estimated Tax

House Bill 581-Amends OCGA 48-5-306

Annual assessment notice to remove statement indicating estimate of tax bill based on previous or most applicable year's millage rate.

The estimate of your ad valorem tax bill for the current year is based on the previous or most applicable year's millage rate and the fair market value contained in this notice. The actual tax bill you receive may be more or less than this estimate. This estimate may not include all eligible exemptions.						
	Taxing Authority	Other Exempt	Homestead Exempt	Net Taxable Value	Millage	Estimated Tax
C	COUNTY	0	2,000	72,760	0.008883	646.33
	CO/MDT	0	2,000	72,760	0.001052	76.54
	SCHOOL	0	2,000	72,760	0.008550	622.10
	SCH/MDT	0	2,000	72,760	0.004747	345.39
	FIRE TAX	0	2,000	72,760	0.001177	85.64
NOT A BILL - DO NOT PAY					Total Estimated Tax	1,776.00

HB 581 – TAX NOTICE

- Removing the “confusing tax estimate” from the assessment notice.
- Assessment Notice is a promulgated form. DOR will alter accordingly. (Where it is going to go and what form the millage rate will be)

HB 581 – ASSESSMENT NOTICE

Changes to NOA (Notice of Assessment)

- Shall contain “Estimated roll back rate”
- The annual notice shall conform with the state-wide uniform assessment notice which shall be established by the commissioner by rule and regulation and shall contain:
 - (A) The amount of the previous assessment;
 - (B) The amount of the current assessment;
 - (C) The year for which the new assessment is applicable;
 - (D) A brief description of the assessed property broken down into real and personal property classifications;

HB 581 – ASSESSMENT NOTICE

Changes to NOA (Notice of Assessment)

- Shall contain “Estimated roll back rate”
- (E) The fair market value of property of the taxpayer subject to taxation and the assessed value of the taxpayer's property subject to taxation after being reduced;
- (F) The name, phone number, and contact information of the person in the assessors' office who is administratively responsible for the handling of the appeal and who the taxpayer may contact if the taxpayer has questions about the reasons for the assessment change or the appeals process;
- (G) If available, the INTERNET website address of the office of the county board of tax assessors; ~~and~~

HB 581 – ASSESSMENT NOTICE



Changes to NOA (Notice of Assessment)

- Shall contain “Estimated roll back rate”
- (H) A statement that all documents and records used to determine the current value are available upon request ; AND
- (I) THE CURRENT YEAR'S ESTIMATED ROLL-BACK RATE.

HB 581 – ASSESSMENT NOTICE

- **Defines “estimated roll back rate” § 48-5-2**
- (2.1) 'ESTIMATED ROLL-BACK RATE' MEANS THE CURRENT YEAR'S ESTIMATED MILLAGE RATE MINUS THE MILLAGE EQUIVALENT OF THE TOTAL NET ASSESSED VALUE ADDED BY REASSESSMENTS:
- (A) AS CALCULATED AND CERTIFIED TO THE TAX COMMISSIONER BY THE LEVYING AUTHORITY FOR COUNTY AND EDUCATIONAL TAX PURPOSES; AND
- (B) AS CALCULATED AND CERTIFIED TO THE COLLECTING OFFICER OF THE MUNICIPALITY BY THE LEVYING AUTHORITY FOR MUNICIPAL TAX PURPOSES.

HB 581 – TAX NOTICE

REVIEW

- Creates an ‘estimated roll-back rate’ which is certified to the tax commissioner by the county for county and county school tax purposes.
- It is calculated using an estimated millage rate minus the millage equivalent of the total net assessed value added by reassessments.
- The estimated roll-back rate is required to be included on the assessment notice.

HB 581 – TAX BILL

§ 48-5-34 (NEW CODE) Tax Bill Changes

- THE FORM SHALL PROVIDE THE TOTAL AMOUNT OF SUCH TAXES LEVIED ON PROPERTY OWNED BY THE TAXPAYER
- THE AMOUNT OF PROPERTY TAX CREDIT GRANTED BY ACT OF THE 1973 SESSION OF GEORGIA'S GENERAL ASSEMBLY
- AND THE NET AMOUNT OF SUCH TAXES DUE FOR THE CURRENT TAX YEAR.

HB 581 – TAX BILL

- **Tax Bill Changes**

- IN ADDITION, REGARDING ANY AD VALOREM PROPERTY TAX BILL WHERE THE MILLAGE RATE ADOPTED BY A TAX AUTHORITY EXCEEDS THE ESTIMATED ROLL-BACK RATE
- SUCH TAX BILL SHALL INCLUDE A NOTICE CONTAINING THE NAME OF SUCH TAXING AUTHORITY AND THE FOLLOWING STATEMENT IN BOLD PRINT:

HB 581 – TAX BILL

§ 48-5-34 (NEW CODE) Tax Bill Changes



'THE ADOPTED MILLAGE RATE EXCEEDS THE ESTIMATED ROLL-BACK RATE AS STATED IN THE ANNUAL NOTICE OF ASSESSMENT THAT YOU PREVIOUSLY RECEIVED FOR THIS TAXABLE YEAR, WHICH WILL RESULT IN AN INCREASE IN THE AMOUNT OF PROPERTY TAX THAT YOU WILL OWE.'

HB 581 – TAX BILL

REVIEW

If the adopted millage rate exceeds the estimated roll-back rate, then a disclaimer is included on the tax bill stating the name of the governing authority that exceeded the estimated roll-back rate and that this will result in an increase of taxes owed.

HB 581 – DEFINITIONS

- **Definition changes (REMOVES)**

- ~~Notwithstanding any other provision of this chapter to the contrary, the transaction amount of the most recent arm's length, bona fide sale in any year shall be the maximum allowable fair market value for the next taxable year.~~

HB 581 – TAX BILL

REVIEW

- Removing the provision that the sale price is the maximum allowable fair market value in the next taxable year. This provision caused the Department of Audits and Accounts (DOAA) to change their sales ratio study methodology when it was originally passed, so this change should improve the sales ratio study and prevent penalties on local governments and their taxpayers.

HB – 581 EQUALIZED DIGEST

- Gives Board of Assessors the ability to appeal sales ratio study
- § 48-5-274
- Each county governing authority, each governing authority of a municipality having an independent school system, and each local board of education, AND EACH COUNTY BOARD OF TAX ASSESSORS, when aggrieved or when having an aggrieved constituent, shall have a right, upon written request made within 30 days after receipt of the digest information, to refer the question of correctness of the current equalized adjusted property tax digest of the local school system to the state auditor.



HB – 581 EQUALIZED DIGEST

- **Gives Board of Assessors the ability to appeal sales ratio study**
- By removing the previously mentioned provision that the sale price is the maximum allowable fair market value in the next taxable year. This legislation also allows the Board of Assessors to appeal the sales ratio study directly instead of requiring a local government to appeal for them.

HB 581 – “CURRENT” CHIEF APPRAISER DUTIES

- **48-5-264. Designation and duties of chief appraiser.**
- **(a) The board of tax assessors in each county shall designate an Appraiser IV or, in those counties not having an Appraiser IV, an Appraiser III as the chief appraiser of the county. The chief appraiser shall be responsible for:**
 - **(1) The operation and functioning of the county property appraisal staff;**
 - **(2) Certifying and signing documents prepared by the staff; and**
 - **(3) Implementing procedures deemed necessary for the efficient operation of the staff.**
- **(b) The chief appraiser may appoint an assistant and may delegate his authority in writing to the assistant.**
- **(c) The chief appraiser may be a member of the county board of tax assessors.**

HB 581 – CHIEF APPRAISER DUTIES

- **Added language to the Chief Appraiser duties**
- THE CHIEF APPRAISER SHALL ENSURE THAT EVERY PARCEL IN HIS OR HER RESPECTIVE COUNTY IS APPRAISED AT LEAST EVERY THREE YEARS.

HB 581 – VALUATION FREEZES

- **Eliminates some valuation freezes of recently appealed real property**
 - When the value of real property is reduced ~~or is unchanged~~ from the value on the initial annual notice of assessment or a corrected annual notice of assessment issued by the board of tax assessors and such REDUCED valuation has been established as the result of an appeal decision rendered by the board of equalization, hearing officer, arbitrator, or superior court
 - Value may not be increased by the board of tax assessors during the next two successive years

HB 581 – VALUATION FREEZES

REVIEW

- Modifying the three-year lock statute for appeals so the taxpayer only receives the benefit of the lock if they receive a value reduction upon appeal. The intent is to prevent frivolous appeals filed solely for the lock.



HB 581 – TEMPORARY REDUCTION IN TAXES

- **Eliminates temporary reduction in tax bill if taxpayer does not attend settlement conference during appeal**
- **IF NEITHER THE TAXPAYER NOR HIS OR HER AUTHORIZED AGENT OR REPRESENTATIVE ATTENDS A PROPERLY SCHEDULED SETTLEMENT CONFERENCE OR FAILS TO CONFER WITH THE BOARD OF TAX ASSESSORS IN GOOD FAITH ON THE MATTER, THEN SUCH TAXPAYER SHALL NOT RECEIVE THE BENEFITS OF ANY TEMPORARY REDUCTION IN THE AMOUNT OF TAXES DUE PENDING THE OUTCOME OF THE APPEAL AND SHALL NOT BE AWARDED ATTORNEY'S FEES OR COSTS OF LITIGATION IN CONNECTION WITH THE APPEAL TO THE SUPERIOR COURT.**

HB 581 – TEMPORARY REDUCTION IN TAXES

REVIEW

- Updating the settlement conference statute so that if neither the taxpayer nor their representative participates in good faith, then the taxpayer shall not receive the benefit of the temporary fifteen percent reduction in taxes owed and shall not be awarded attorney's fees.

HB 581 – HOMESTEAD EXEMPTION

§ 48-5-44.2 (NEW CODE)

- Creates new homestead exemption – base year value homestead exemption
- “Homestead” means homestead as defined and qualified in Code Section 48-5-40



HB 581 – HOMESTEAD EXEMPTION

§ 48-5-44.2 (NEW CODE)

- (3) “Base year assessed value” means:
- (A) With respect to an exemption under this Code section which is first granted to a person on such person’s homestead for the 2025 taxable year, the assessed value for taxable year 2024, including any final determination of value on appeal pursuant to Code Section 48-5-311, of the homestead; or
- (B) In all other cases, the assessed value, including any final determination of value on appeal pursuant to Code Section 48-5-311, of the homestead from the taxable year immediately preceding the taxable year in which the exemption under this Code section is first granted to the applicant.

What is Base Year?

HB 581 – HOMESTEAD EXEMPTION

§ 48-5-44.2 (NEW CODE)

- (5) “Inflation rate” means the annual inflationary index rate as determined for a given year by the commissioner in accordance with subsection (g) of this Code section.



HB 581 – HOMESTEAD EXEMPTION

§ 48-5-44.2 (NEW CODE)

- (g) the commissioner shall promulgate a standardized method for determining annual inflationary index rates which reflect the effects of inflation and deflation on the cost of living for residents of this state for a given calendar year. Such method may utilize the Consumer Price Index as reported by the Bureau of Labor Statistics of the United States Department of Labor or any other similar index established by the federal government if the commissioner determines that such federal index fairly reflects the effects of inflation and deflation on residents of this state.

HB 581 – HOMESTEAD EXEMPTION

- **Caps rate increases**
 - Protects against market rate increases, including rise in neighboring home values
 - The base year value may increase each year by up to the inflationary rate determined by the State Revenue Commissioner

HB 581 – HOMESTEAD EXEMPTION

- **“Inflation Rate”**
 - Annual inflationary index rate determined by Commissioner
 - Reflect inflation and deflation on cost of living in Georgia for calendar year
 - May include use of Consumer Price Index or other federal government index

HB 581 – HOMESTEAD EXEMPTION

- (6) “Previous adjusted base year assessed value” means:
- (A) With respect to the year for which the exemption under this Code section is first granted to a person on such person’s homestead, the base year assessed value; or
- (B) In all other cases, the adjusted base year assessed value of the homestead as calculated in the taxable year immediately preceding the current year, including any final determination of value on appeal pursuant to Code Section 48-5-311.

HB 581 – HOMESTEAD EXEMPTION

- (2) “Adjusted base year assessed value” means the sum of:
 - (A) The previous adjusted base year assessed value;
 - (B) An amount equal to the difference between the current year assessed value of the homestead and the base year assessed value of the homestead, provided that such amount shall not exceed the total of the previous adjusted base year assessed value of the homestead multiplied by the inflation rate for the prior year; and
 - (C) The value of any substantial property change, provided that no such value added improvements to the homestead shall be duplicated as to the same addition or improvement.

HB 581 – HOMESTEAD EXEMPTION

- (7) “Substantial property change” means any increase or decrease in the assessed value of a homestead derived from additions or improvements to, or the removal of real property from, the homestead which occurred after the year in which the base year assessed value is determined for the homestead. The assessed value of the substantial property changes shall be established following any final determination of value on appeal pursuant to Code Section 48-5-311.

HB 581 – HOMESTEAD EXEMPTION

- The current year assessed value of that homestead, shall not exceed its previous adjusted base year assessed value.

HB 581 – HOMESTEAD EXEMPTION

- (b) (1) Subject to the limitations provided in this Code section, each resident of this state is granted an exemption on that person's homestead from ad valorem taxes in an amount equal to the amount by which the current year assessed value of that homestead, including any final determination of value on appeal pursuant to Code Section 48-5-311, exceeds its previous adjusted base year assessed value.

HB 581 – HOMESTEAD EXEMPTION

- Does not apply in these cases
 - “Substantial property change”
 - Additions or improvements
 - Removal of real property

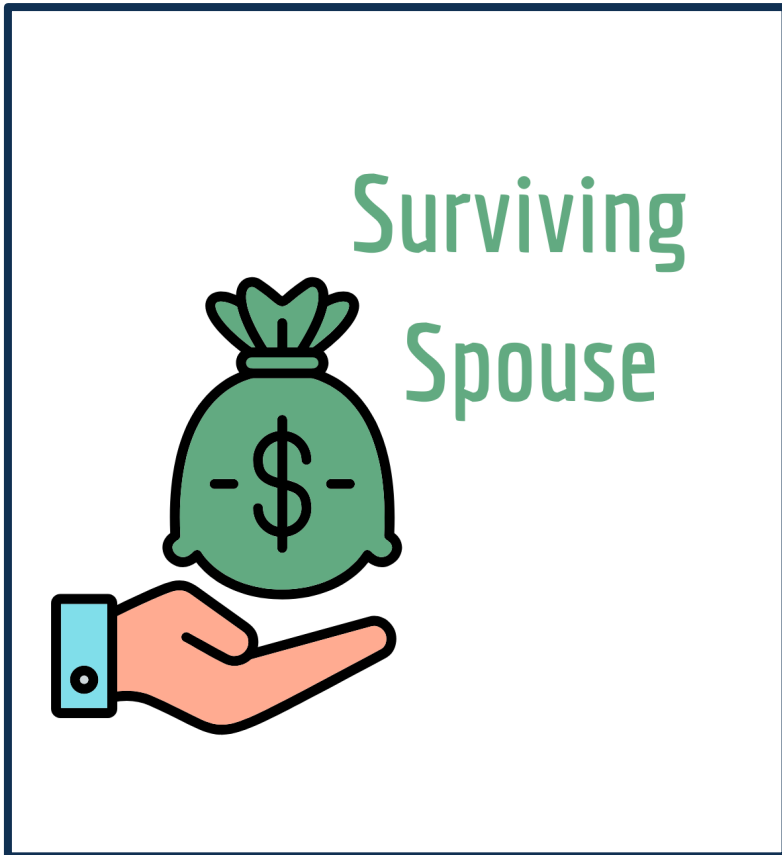
HB 581 – HOMESTEAD EXEMPTION

- (b) (2) Except as provided for in subsection (c) of this Code section, no exemption provided for in this subsection shall transfer to any subsequent owner of the property, and the assessed value of the property shall be as provided by law.
- (c) The surviving spouse of the person who has been granted the exemption provided for in subsection (b) of this Code section shall continue to receive the exemption provided under subsection (b) of this Code section, so long as such surviving spouse continues to occupy the residence as a homestead.

HB 581 – HOMESTEAD EXEMPTION

REVIEW

- The exemption does not extend to any subsequent property owner with the exception of the surviving spouse.



FILING FOR HOMESTEAD EXEMPTION



HB 581 – HOMESTEAD EXEMPTION

(d) No person shall receive the exemption...unless such person or person's agent files an application with the tax receiver or tax commissioner of his or her respective local government or governments charged with the duty of receiving returns of property for taxation giving such information relative to receiving such exemption as will enable such tax receiver or tax commissioner to make a determination regarding the initial and continuing eligibility of such person for such exemption; provided, however, that any person who had previously applied for a homestead exemption, was allowed such homestead exemption for the 2024 tax year, and remains eligible for a homestead exemption for that same homestead property in the 2025 tax year shall be automatically allowed the exemption granted under subsection (b) of this Code section for that homestead without further application. Such tax receiver or tax commissioner shall provide application forms for this purpose.

HB 581 – HOMESTEAD EXEMPTION

REVIEW

- Any person who received a homestead for the 2024 tax year and was still eligible for the 2025 tax year, is automatically granted the exemption. All other applicants must apply with the tax commissioner.

HB 581 – HOMESTEAD EXEMPTION

(e) The exemption granted by subsection (b) of this Code section shall be claimed and returned as provided in Code Section 48-5-50.1. Such exemption shall be automatically renewed from year to year so long as the owner occupies the residence as a homestead. After a person or a person's agent has filed the proper application or is automatically granted the homestead exemption as provided in subsection (d) of this Code section, it shall not be necessary to make application thereafter for any year, and the exemption shall continue to be allowed to such person. It shall be the duty of any person granted the homestead exemption under subsection (b) of this Code section to notify the tax receiver or tax commissioner of the local government or governments in the event such person for any reason becomes ineligible for such exemption.

HB 581 – HOMESTEAD EXEMPTION

(f) (1) Except as otherwise provided in paragraph (2) of this subsection, the homestead exemption granted by subsection (b) of this Code section shall be in addition to and not in lieu of any other homestead exemption applicable to ad valorem taxes.

(2) The homestead exemption granted by subsection (b) of this Code section shall not be applied in addition to any other base year value homestead exemption provided by law with respect to the given taxing jurisdiction to which the such law applies. In any such event, the tax receiver or tax commissioner of the taxpayer's respective local government or governments charged with the duty of receiving returns of property for taxation shall apply only the base year value homestead exemption that is larger or more beneficial for the taxpayer with respect to the particular taxing jurisdictions to which more than one base year value homestead exemption applies.

HB 581 – HOMESTEAD EXEMPTION

REVIEW

- Exemption is in addition to and not in lieu of.
- Exception, any base year value homestead exemption.
- Automatically renewed each year as long as the applicant continues to reside on the property

HB 581 – HOMESTEAD EXEMPTION

(h) The exemption granted by subsection (b) of this Code section shall apply to all taxable years beginning on or after January 1, 2025, provided that:

(1) A constitutional amendment is ratified and becomes effective on January 1, 2025, which authorizes the General Assembly to provide by general law for a homestead exemption that shall not be applicable to certain political subdivisions, which elect to opt out of the homestead exemption by a date certain; and

(2) The exemption granted by subsection (b) of this Code section shall not be applicable for any county, consolidated government, municipality, or school district for which the governing authority of such political subdivision adopts an opt-out resolution in accordance with subsection (i) of this Code section.

HB 581 – HOMESTEAD EXEMPTION

(i) The governing authority of any county, consolidated government, municipality, or school district may elect to opt out of the homestead exemption otherwise granted by subsection (b) of this Code section with respect to such political subdivision through the adoption of a resolution to do the same by March 1, 2025, after completing the following steps:

HB 581 – HOMESTEAD EXEMPTION

(i)(1) The governing authority shall advertise its intent to do so and shall conduct at least three public hearings thereon, at least one of which shall commence between the hours of 6:00 P.M. and 7:00 P.M., inclusive, on a business weekday. The governing authority shall place an advertisement in a newspaper of general circulation serving the residents of the political subdivision and post such advertisement on its website, which shall read as follows:

HB 581 – HOMESTEAD EXEMPTION

'INTENT TO OPT OUT OF HOMESTEAD EXEMPTION

The (name of governing authority) intends to opt out of the statewide adjusted base year ad valorem homestead exemption for (name of the political subdivision).

All concerned citizens are invited to the public hearing on this matter to be held at (place of meeting) on (date and time).

Times and places of additional public hearings on this matter are at (place of meeting) on (date and time).'

Simultaneously with this notice the governing authority shall provide a press release to the local media.

HB 581 – HOMESTEAD EXEMPTION

(i) (2) The advertisement required by paragraph (1) of this subsection shall appear at least one week prior to each hearing, be prominently displayed, be not less than 30 square inches, and not be placed in that section of the newspaper where legal notices appear and shall be posted on the appropriate website at least one week prior to each hearing. In addition to the advertisement specified under this paragraph, the levying or recommending authority may include in the notice reasons or explanations for its intention to opt out of the homestead exemption.

HB 581 – HOMESTEAD EXEMPTION

(i) (3) No resolution to opt out of the homestead exemption shall become effective with respect to a political subdivision unless the procedures and hearings required by this subsection are completed and a copy of such resolution is filed with the Secretary of State by March 1, 2025.

HB 581 – HOMESTEAD EXEMPTION

REVIEW

- For homes first receiving this exemption in taxable year 2025, the base year assessed value will be the 2024 assessed value.
- For all other years, the base year assessed value will be the assessed value for the immediately preceding year.

HB 581 – HOMESTEAD EXEMPTION

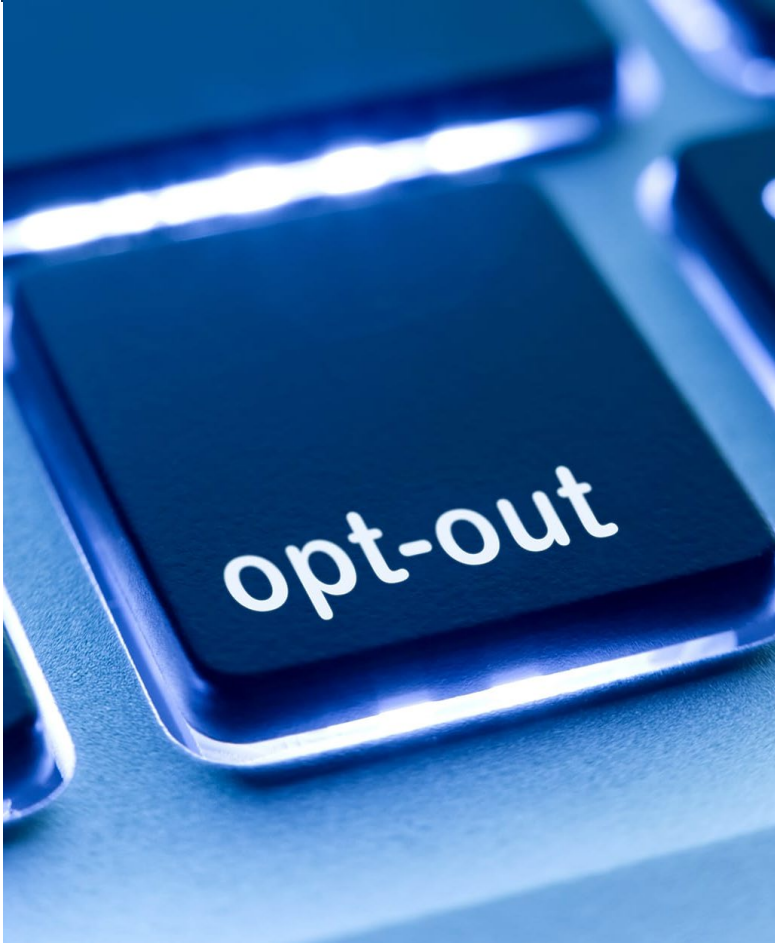
REVIEW

- The base year value may increase each year by up to the inflationary rate determined by the State Revenue Commissioner, which may utilize the Consumer Price Index (CPI).
- This new floating homestead exemption is in addition to and not in lieu of all non-floating homestead exemptions.
- If there is an existing local floating homestead exemption, the taxpayer will receive whichever of the two exemptions is more beneficial.
- This is also true if a local floating homestead exemption is added in the future.

HB 581 – HOMESTEAD EXEMPTION

REVIEW

- Any governing authority may elect to opt out of the floating homestead exemption created by this bill by advertising and conducting three public hearings on their intent to opt out and later adopting a resolution.
- This process may not begin until the bill takes effect on January 1, 2025, and must be completed by March 1, 2025. A governing authority may not opt-out of the statewide floating homestead exemption after this deadline.



HB 581 – HOMESTEAD EXEMPTION



REVIEW

- Effective
 - Tax years starting January 1, 2025
- Requires constitutional amendment
- Any jurisdiction may opt out

HB 581 – HOMESTEAD EXEMPTION

REVIEW Application for exemption

- Taxpayer must apply with Tax Commissioner
- Application only required first year
- Grandfathers in taxpayers with homestead exemption for 2024
- Tax Commissioners must provide application forms for this purpose

HB 581 – SALES TAX



Sales tax changes include:

- Revising the existing two percent local sales tax cap; exemptions now include:
 - ESPLOST
- Up to one percent of the transportation sales taxes, which include:
 - Regional TSPLOST
 - Single-County TSPLOST
 - Transit SPLOST
 - MARTA

HB 581 – SALES TAX

Sales tax changes include:

- One of the specialty pennies, including:

The new sales tax for property tax relief created by this bill

Columbus-Muscogee and Macon-Bibb OLOST

Augusta-Richmond Coliseum SPLOST

MOST for Atlanta and cities connected to its water system (East Point, College Park, Hapeville)

HB 581 – SALES TAX

Sales tax changes include:

- A new local sales tax is created for the limited purpose of property tax relief. It may be levied in 0.05 percent increments up to one percent.

HB 581 – SALES TAX

Sales tax changes include:

- To be eligible to levy the tax, both the county and all cities within the county that levy a property tax must have in effect a floating homestead exemption: either the one created by this bill or a local floating homestead exemption.
- The county and cities representing at least fifty percent of the municipal population of cities that levy a property tax must enter into an intergovernmental agreement (IGA) calling for the tax which shall specify the rate, amount of time the tax is to be levied (not to exceed five years), and the proposed distribution between the county and cities.

HB 581 – SALES TAX

Sales tax changes include:

- If the total of the populations of all municipalities absent from the IGA is less than one half of the aggregate population of all cities in the county that levy a property tax, then the cities signing the IGA shall specify a portion of the proceeds from the tax that the absent municipalities will receive, which shall not be less than the proportion the absent municipality's population bears to the total population of all cities within the county that levy a property tax. Cities levying a MOST are excluded from these calculations and from sharing in the proceeds of this tax.

HB 581 – SALES TAX

Sales tax changes include:

- If the tax is approved at referendum, then the collection of the tax will begin at the start of the next calendar quarter beginning more than fifty days after that date, as opposed to eighty days for other local sales taxes.
- The tax may be renewed only by the passage of a local Act calling for the reimposition of the tax.

HB 581 – SALES TAX

Sales tax changes include:

- The Georgia Department of Revenue (DOR) sends the money to the county and the county will be responsible for distributing the money to the cities in accordance with the IGA.
- The proceeds shall be used exclusively for tax relief.
- Each taxpayer's property tax bill shall state the amount by which property tax has been reduced because of the imposition of this tax

HB 581 – SALES TAX

Sales tax changes include:

- The roll-back rate shall be reduced annually by the millage equivalent of the net proceeds of this new tax received by the political subdivision during the prior taxable year.
- If any political subdivision is not in compliance with the use of the proceeds from this tax, then the State Revenue Commissioner shall not certify the tax digest of that political subdivision until it comes into compliance.

HB 581 – REFERENDUM

- All provisions of HB 581 effective on January 1, 2025
- Entire bill dependent on voter referendum of Constitutional amendment (HR 1022)

HR 1022 – REFERENDUM

- (a.1) In addition to the powers otherwise authorized by this Constitution, the General Assembly shall be authorized to provide by general law for a single state-wide homestead exemption from ad valorem taxes that is uniformly applicable to each county, consolidated government, municipality, or local school system beginning January 1, 2025; provided, however, that the General Assembly may: (1) Limit the application of the homestead exemption to any such political subdivisions that do not already have certain existing homestead exemptions in effect;
- (2) Prescribe a method by which any such political subdivision may opt out of said homestead exemption; and
- (3) Prescribe a method by which any such newly created political subdivision may opt in to such homestead exemption."

HB 808 – PERSONAL PROPERTY

- (a) It is the intent of this Code section to exempt from the payment of ad valorem taxation certain tangible personal property on which the tax due does not exceed the reasonable cost of administering and collecting the tax.
- (b) All tangible personal property of a taxpayer, except motor vehicles, trailers, and mobile homes, shall be exempt from all ad valorem taxation if the actual fair market value of the total amount of taxable tangible personal property owned by the taxpayer within the county, as determined by the board of tax assessors, does not exceed ~~\$7,500.00~~ \$20,000.00 .

HB 808 – PERSONAL PROPERTY



Increases personal property tax exemption from \$7,500 to \$20,000

Intended to promote efficiency when tax equals cost of administering/collecting tax



Dependent on November referendum



Effective January 1, 2025, if approved by referendum

HB 808 – PERSONAL PROPERTY

- The exemption excludes all property owned by a taxpayer within a county (except motor vehicles, trailers, and mobile homes) with a fair market value of \$20,000 or below from taxation.
- Personal property includes furniture, fixtures, machinery, equipment, inventory, and other property used in a business; as well as aircraft and boats owned by an individual or corporation.

HB 808 – PERSONAL PROPERTY

- YES Do you approve the Act that increases an exemption from property tax for
- NO all tangible personal property from \$7,500.00 to \$20,000.00?"

FYI

- In 2002, Georgia voters approved Referendum E, which increased the personal property tax exemption from \$500 to \$7,500.
- From 2000 through 2022, 22 property tax exemption measures appeared on the statewide ballot, of which, 19 were approved and three were defeated.



DEPARTMENT
of REVENUE

2024 COURT CASE REVIEW

Andrew Langen, Attorney

Office of the General Counsel

May 21, 2024

AGENDA

- *Chattooga County Board of Tax Assessors v. Connelly*
 - The importance of managing deadlines and giving meaning to the legislature
- *Freedom Heights v. Lowndes County Board of Tax Assessors*
 - How to value tax credits and interpret laws constitutionally
- *Barsamian v. Glynn County Board of Tax Assessors*
 - What constitutes real estate or intangible personal property
- *Columbus Board of Tax Assessors v. Medical Center Hospital Authority*
 - Public property and public purposes



DEPARTMENT
of REVENUE

CHATTOOGA COUNTY BOARD OF TAX ASSESSORS V. CONNELLY

370 Ga. App. 598; 898 S.E.2d 608 (2024)

FACTS

- Board of Equalization mailed its decision on November 21 via certified mail
- Taxpayer retrieved the mail on November 25
- Taxpayer filed appeal on December 22
- O.C.G.A. Section 48-5-311(g)(2):
 - “The petition for review shall be mailed or filed within 30 days from the date on which the decision of the county board of equalization, hearing officer, or arbitrator is delivered . . .”
 - Note: language changed slightly since (original version said “notice of appeal” instead of “petition for review”), but court has said substantive language is the same
 - In 2015, Legislature replaced “mailed” with “delivered”
- BOE argues 30 days starts from when they mailed it, not received

STATUTORY INTERPRETATION

- “[I]n considering the meaning of a statute, our charge as an appellate court is to presume that the General Assembly meant what it said and said what it meant. And toward that end, we must afford the statutory text its plain and ordinary meaning, consider the text contextually, read the text in its most natural and reasonable way, as an ordinary speaker of the English language would, and seek to avoid a construction that makes some language mere surplusage. In summary, when the language of a statute is plain and susceptible of only one natural and reasonable construction, courts must construe the statute accordingly.”

STATUTORY INTERPRETATION (PART 2)

- “Rules of statutory construction demand that we attach significance to [amendments by the legislature]”
- “When a taxing statute has doubtful meaning, it must be construed liberally in favor of the taxpayer and against the State”

ANALYSIS

- Court relies on dictionary definitions:
 - Mail: “to send by mail”
 - Deliver: “to take and hand over or to leave for another”
 - “Thus, while ‘mailed’ is defined with an eye toward the sender, ‘delivered’ focuses on the transfer to the recipient”
- Court concludes clock starts when taxpayer receives it, not when BOE puts it in the mail

COUNTERARGUMENTS

- County has two main counterarguments
- Statute says decisions are delivered by sending by registered or certified mail, suggesting the act of delivery occurs when sent
 - However, other sections set deadlines based on mailing of notice (appeal from assessment “within 45 days from the **date of mailing** the notice”, appeal from arbitration “within 45 days from the **date of mailing** the notice”)
- Potential slippery slope: taxpayers will not collect their mail to avoid starting the clock
 - Court says issue not before them, certified mail receipt shows when delivery occurred, and it was timely

TAKEAWAYS

- Plain meaning is the most important thing when reviewing law
- Seemingly minor differences in language can have significant impacts (“date of mailing” vs. “date on which the decision . . . is delivered”), especially when it is a change from prior language
 - Example: this session’s SB 436, relating to use of farm equipment on roads, changes “state or local roadway” to “highway” in one place
 - Seems pretty interchangeable in ordinary usage, but could be important in a courtroom
- 48-5-311 is a long and complex statute filled with deadlines
 - Easy to miss something significant
 - Have to pay close attention when calculating deadlines
- Courts construe in favor of taxpayer in ambiguity

ONE LAST THING

- Court references a line originally from an 1850 GA Supreme Court Case
- “Revenue laws are neither remedial statutes nor laws founded upon any permanent public policy, and are not, therefore, to be liberally construed; and hence, whenever there is a just doubt, that doubt should absolve the taxpayer from his burden”
- Ask yourself if you agree with premise and conclusion
- Consider how this relates to requirement that exemptions from taxation should be strictly construed



DEPARTMENT
of REVENUE

**FREEDOM HEIGHTS
V.
LOWNDES COUNTY BOARD OF TAX ASSESSORS**

369 Ga. App. 725, 894 S.E. 2d 438 (2023)

BACKGROUND

- Property financed by low-income housing tax credits (federal and state)
- Parties filed cross motions for summary judgment
 - Taxpayer wanted an order declaring that the property may be valued by the income approach and the current value is illegal
 - Board wanted ruling that excluding tax credits from value would violate uniformity and:
 - Sales comparison approach cannot be used absent evidence of sales of other property with unused income tax credits
 - Income approach inapplicable because the credits do not generate actual income to the taxpayer
 - Law directs appraisers to use cost approach to valuation and says unusual circumstances that affect value should be considered
- Trial court granted Board's motions, denied Taxpayer's, Taxpayer appealed

THE LAW

- Three approaches to valuation of real estate (all from appraisal procedures manual, Rule 560-11-10-.09(4)):
 - (a) Cost approach. The appraisal staff shall use the following three steps when applying the cost approach: Estimate the cost new of the improvements, subtract accrued depreciation, and add the value of the land.
 - (b) Sales comparison approach. When using the sales comparison approach, the appraisal staff shall estimate value by comparing the subject property to similar properties that have recently sold. The appraisal staff shall use the following four steps when applying the sales comparison approach: market research and verification, selecting appropriate units of comparison, making reasonable adjustments based on the market, and applying the adjusted comparison units to the subject of the appraisal.
 - (c) Income approach. When using the income approach, the appraisal staff shall estimate value by determining the present value of the projected income stream from the use of the subject property in the future.
- Court references an “unusual circumstances” approach, but does not seem distinct from methods above
 - Apparently based on Appraisal Procedures Manual language that says “When unusual circumstances are affecting value, they should be considered.” (Rule 560-11-10-.01(2))

THE LAW (PART 2)

- O.C.G.A. § 48-5-2(3)(B):
 - “The tax assessor shall apply the following criteria in determining the fair market value of real property:
 - (vi) Rent limitations, higher operating costs resulting from regulatory requirements imposed on the property, and any other restrictions imposed upon the property in connection with the property being eligible for any income tax credits . . . ;
 - (vii)(I) In establishing the value of any property subject to rent restrictions under the sales comparison approach, any income tax credits described in division (vi) of this subparagraph that are attributable to a property may be considered in determining the fair market value of the property, provided that the tax assessor uses comparable sales of property which, at the time of the comparable sale, had unused income tax credits that were transferred in an arm’s length, bona fide sale.
 - **(vii)(II) In establishing the value of any property subject to rent restrictions under the income approach, any income tax credits described in division (vi) of this subparagraph that are attributable to property may be considered in determining the fair market value of the property, provided that such income tax credits generate actual income to the record holder of title to the property; and**
 - (viii) Any other existing factors provided by law or by rule and regulation of the commissioner deemed pertinent in arriving at fair market value.”

ANALYSIS / VERDICT

- Court relies on *Heron Lake II*
 - GA Supreme Court previously said these credits do not constitute income
 - Court also said that restrictions placed in law are constitutional
 - Limits the range of applications, but still circumstances it could apply
 - For sales approach, would only be available if there are sales of comparable property with income tax credits (unlikely in practice)
 - Tax assessor could show tax credits “generate actual income,” or tax credits result in net payment instead of just reducing tax liability
- Court concludes income approach inapplicable here, because as the credits are currently structured, tax assessors cannot use the income approach to determine fair market value
- Also rejects taxpayer argument that the court adopted “improper form of the cost approach” because it concludes court didn’t do that, only that excluding credits would violate uniformity, and that the credits should not be excluded when using cost approach or “unusual circumstances method”
 - Don’t read too much into this; quirk of case

“EVERYTHING EXCEPT THE THEREFORE”

- Why does the limitation on considering tax credits under the income approach mean that the income approach can't be used? Why can't they not just value the property under the income approach and not consider tax credits that don't generate income?
- In *Heron Lake I*, GA Supreme Court considered similar but slightly different language:
 - “The tax assessor shall not consider any income tax credits . . . which are claimed and granted pursuant to [low income tax credit statutes] in determining the fair market value”
 - Determined that was unconstitutional because it created a distinct class of property, violating uniformity
- *Heron Lake II*: “if ‘the language of an act is susceptible of a construction that is constitutional, and another that would be unconstitutional, that meaning or construction will be applied which will sustain the act’”
 - If they could value the property without the tax credits, gets too close to *Heron Lake I* unconstitutional language
 - Appears to have motivated trial court decision here, who said excluding from FMV would violate uniformity
- Possible practical considerations as well
 - Low income tax credits require below-market rents, which would result in reduced income
 - Would be double dipping on benefit to get both a tax credit and a lower value

TAKEAWAYS

- Just use cost approach for low income tax credit property
 - Sales comparison approach will lack comparable property
 - Income approach has serious risk of reversal by courts
- Finding a statute to be constitutional sometimes requires interpretations that aren't obvious
- Decisions don't seem aligned with plain language of statute
 - Compare with first case which required giving meaning to legislative actions
- Law seems pretty settled now
 - Possible legislature comes in and changes this again, but would require constitutional amendment (similar to QTP, homestead exemptions, etc.)



DEPARTMENT
of REVENUE

BARSAMIAN
V.
GLYNN COUNTY BOARD OF TAX ASSESSORS

370 Ga. App. 490, 897 S.E.2d 893 (2024)

FACTS

- Taxpayers owned quarter interests in condos that allowed them to apply for a membership at the Sea Island Club for access to beaches, dining, golf etc.
- Memberships in detail
 - Membership requires an application plus an annual fee
 - These terms of membership only available to these interest holders
 - Membership terminates at the time the owner transfers their quarter ownership interest; new owner has to apply separately
 - Membership is not transferable or assignable, including in connection with the sale of the real estate
- Dispute arose over what part of membership is tangible/real property and what part is intangible

INTANGIBLE PROPERTY

- Most intangible property is exempted from taxation; the intangible personal property tax sections, O.C.G.A. Sections 48-6-20 through 44, were repealed in 1996
 - Exceptions: mortgage recording (charged intangible recording tax), real estate transfers (charged real estate transfer tax), and a tax on financial institutions
- Surprisingly hard to define; best explanation is in O.C.G.A. Section 48-1-2:
 - “Intangible personal property” means the capital stock of all corporations; money, notes, bonds, accounts, or other credits, secured or unsecured; patent rights, copyrights, franchises, and any other classes and kinds of property defined by law as intangible personal property
 - “Tangible personal property” means personal property which may be seen, weighed, measured, felt, or touched or which is in any other manner perceptible to the senses. The term “tangible personal property” shall not include intangible personal property . . .
- Also, from the Appraisal Procedures Manual (Rule 560-11-10-.02(1)(x):”Real property’ means the bundle of rights, interests, and benefits connected with the ownership of real estate. **Real property does not include the intangible benefits associated with the ownership of real estate, such as the goodwill of a going business concern.”**

ANALYSIS / VERDICT

- Court concludes that membership is intangible and untaxable, but the *right to apply for a membership* is taxable
 - “[S]uch a right is inextricably bound with the sale of qualified real property and is, therefore, properly considered when assessing the fair market value of such properties”
 - “The County could properly include the enhanced value paid to the seller for the right to apply for membership as part of the fair market value of the property.”

TAKEAWAYS

- Very narrow line between untaxable “intangible benefits associated with the ownership of real estate,” and taxable “rights, interests, and benefits connected with the ownership of real estate”
 - In practice, line seems to be that it is transferred as part of the real property transaction
 - Analogous to real property and fixtures
- Plenty of room for artful drafting on both sides
 - Glynn County smart to assert they were taxing only the right to apply for membership, but not membership itself
 - Club could have structured membership interests differently
 - If anyone could apply but landowners received preferential review, would it still be taxable?
 - Other private clubs will have to choose how much tax exposure they want for memberships



DEPARTMENT
of REVENUE

**COLUMBUS BOARD OF TAX ASSESSORS
V.
MEDICAL CENTER HOSPITAL AUTHORITY**

368 Ga. App. 489, 890 S.E.2d 409 (2023)

FACTS

- Columbus Regional Healthcare System (private entity) entered into agreement with Medical Center Hospital Authority (the “Authority”) to construct, own, and operate a nursing home on Columbus Regional’s land
 - Hospital authorities are publicly owned private corporations that undertake projects to provide for public health needs of community, appointed by county or municipal corporation
- Authority had management agreement with subsidiary of Columbus Regional
- Property would become Columbus Regional’s at end of lease term
- Assessors sent tax bill to Authority for their leasehold interest, who challenged it, and Columbus Regional, who paid
 - Unclear whether they paid taxes on their reversionary interest or only the land
- Authority argued property was exempt from taxes as part of public property

FACTS (BOND ISSUE DETOUR)

- Bonds had been issued to fund construction, and were subsequently refinanced
- In both cases, the courts had approved, saying that the bonds served a public purpose
- These determinations had been relied on in concluding property was public and exempt
- However, GA Supreme Court, prior to this decision, said that was not conclusive, and taxability status had to be determined independently

LAW

- O.C.G.A. Section 48-5-41(a)(1)(A): “[The following property shall be exempt from all ad valorem property taxes in this state:] Except as provided in this paragraph, all public property.”
 - (None of the exemptions referenced are relevant here)
 - “Public property” undefined in statute, but GA Supreme Court says it is property which “is owned by the State, or some political division thereof, and title to which is vested directly in the State, or one of its subordinate political divisions, or in some person holding exclusively for the benefit of the State, or a subordinate public corporation.”
 - “When property is held not by the State itself, but instead by an instrumentality such as a hospital authority, whether it is public property depends on whether the instrumentality holds title only for the benefit of the State and the public.”
 - “the mere fact that property is owned by a Hospital Authority does not exempt it from property taxes”

ANALYSIS / VERDICT

- Court reviews record and determines project should be considered public property
 - Continuing care retirement facility is a project contemplated under hospital authority laws
 - Authority has exclusive control over facility for duration of lease
 - Dips back into bond validation proceedings, saying they “did factually establish that the Authority financed and paid for the construction of Spring Harbor through revenue bonds issued in furtherance of the public purpose for which the Authority was established”
 - Compare with footnote from GA Supreme Court case: “We do not foreclose the possibility that the superior court might consider facts found in the bond validation proceedings.”

AFTERMATH

- Dissent stated there are genuine issues of material fact regarding whether property held *only* for the benefit of the State and public, but does not elaborate
- Case has been appealed to GA Supreme Court, and Supreme Court has granted certiorari
- Assessors had previously argued that:
 - Operational and financial structure means it is owned and managed by Columbus Regional (private entity)
 - Ownership of property will revert back to Columbus Regional, meaning ultimate beneficiary is private entity
- Oral arguments heard May 16, 2024, seem to be leaning toward reversal but unclear

INSIGHTS FROM ORAL ARGUMENT

- Does public property have to be affordable?
 - Potential residents of nursing home have to show ongoing ability to pay to stay
 - At oral arguments, hospital authority made claim that most expensive real estate in Georgia is UGA Stadium seats in fall, but still public property
- Can there be no private benefit?
 - Columbus Regional leases the property out at \$10, receives income from management
 - If not, would mean that hospital authorities can't lease and can't contract

TAKEAWAYS

- Don't focus too much on facts, still possible it gets reversed on appeal
 - Think about how the law gets applied to your situations, not just what happened here
- Property doesn't have to be owned by public entity to be public property, and property owned by a public entity isn't always public property
 - Consider whether property is held exclusively for the benefit of the state and public
 - Focus more on who receives income from ownership, not from contracts
- Assessors have to distinguish between different interests in property; possible to have only some interests exempted from taxation



DEPARTMENT
of REVENUE

2024 FAILED LEGISLATION

Dante Handel, Governmental Affairs Associate

ACCG

5/21/2024

HB 264: SPLITS 180-DAY TIMELINE

- Would have split the timeline to 90 days each for Assessors and Clerks
- Last action: tabled on Senate Floor

HB 912: EXEMPTS COMMERCIAL SIDE-BY-SIDES

- Would have exempted commercial side-by-sides from ad valorem
- Creates multipurpose off-highway as a separate class of self-propelled vehicles
- Last action: Senate passed as amended

HB 1019: DOUBLES STATEWIDE HOMESTEAD EXEMPTION

- Would have doubled statewide homestead exemption to \$4,000 of assessed value
- Senate amended bill language to \$4,000, but did not change the ballot language from \$10,000
- Last action: Governor's veto on 5/7/24

HB 1052: CUVA LAND LEASED TO NONQUALIFYING ENTITIES

- Would have allowed CUVA properties to lease to non-eligible entities
- Last action: passed Senate Finance Committee

HB 1069: ASSESSORS SHARE TIMBER INFO W/ FORESTRY COMMISSION

- Would have authorized Assessors to disclose information on timber reports to State Forestry Commission
- Last action: passed Senate Finance Committee

HR 96: ADJUSTS SEVERANCE TAX TO FORTY PERCENT

- Would have adjusted severance tax to 40% assessed value instead of 100%
- Local government reimbursement same as FLPA formula
- Language added regarding CUVA solar exemption
- Last action: Senate tabled

HR 1021: SENIOR VOLUNTEER WORK HOMESTEAD EXEMPTION

- Would have created an optional senior homestead credit for volunteer work
- Permissive for each local government
- Credit up to \$500
- Last action: passed Senate Finance Committee

SB 13: HEARING OFFICER APPEAL FOR NON-WIRELESS PERSONAL

- This legislation would have allowed appeals to hearing officers for non-wireless personal property exceeding \$200,000 in aggregate FMV
- Chief Appraisers and Appraiser IVs would have become eligible to serve as hearing officers
- Last action: Senate conference committee report adopted

HB 871: DISABLED VETERAN EXEMPTION PORTABILITY

- Would have made the qualified disabled veteran homestead exemption portable across County lines for surviving spouse and minor children
- Last action: passed Senate Finance Committee



QUESTIONS?