GEORGIA DEPARTMENT OF REVENUE

LOCAL GOVERNMENT SERVICES

DIVISION

Course IVB: The Valuation of Rural Land

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The Appraisal Process and Concepts of Value

Introduction to the Concept of Market Value

Market value is the common denominator in the world of assessment. Governmental jurisdictions have statutes using other language but the concept of willing buyer and willing seller trading real estate is fundamental. In order to arrive at an accurate estimate of market value there are three approaches traditionally used by the practitioner; Cost, Market, and Income data.

The **Cost Approach** to value lends itself to the appraisal of real estate on a mass basis. This approach involves the systematic, bulk assemblage of market and cost data and the conversion of such information into usable standardized form that can be applied easily and readily to a large number of real properties. This approach provides for the systematic modification of the standardized data to fit the peculiar physical characteristics of each property. Since the people in the real estate market, buyers and sellers, frequently base their decisions largely on cost, this approach has validity for many types of real properties.

The **Market Data Approach** to value, or comparable sales approach, utilizes sales of similar properties to learn what buyers and sellers are doing and what they are exchanging property for in terms of money. In its application to a particular property, this approach requires the reconciliation of differences among the various properties that have sold and the properties being appraised. Applied on a mass basis it provides reasonable, objective estimates of market value and is adaptable for the mass appraisal assignment.

The **Income Approach** to value, readily adaptable to the assessment function, is most useful in those jurisdictions having a number of income producing properties, such as apartment buildings, stores, or offices. It is beneficial to appraise such properties by capitalizing income. The market for such properties is based almost exclusively on the income produced in which case capitalized income is normally the best value indicator. The assessor must be on most familiar terms with the Income Approach to Value in order to understand all facets that contribute to the decision making process when income producing property is bought and sold.

The acceptance of the assessor's efforts rests with the taxpaying public, administrative review bodies and the courts. Judgments on the quality of his work will be made on these levels. The highest courts of the land have recognized the accomplishments of assessors and review their work products in relation to reason, logic, and sound real estate appraisal practice.

Regardless of the use of national standards or manuals on the general subject of real estate appraisal, chief emphasis must be placed on local experience. Whatever criteria used, it must be verified in the local real estate market. Building costs, land values, rents, expenses, mortgage rate and capitalization rates vary, sometimes widely, from community to community.

The Market Data Approach in general deals with comparing a parcel as a whole while the Cost Approach uses the components of value. These two approaches are the most normally accepted means of valuing property. Use of the Income Approach is limited in land and timber appraisals for ad valorem tax purposes due to the uncertainty of income and profits and managerial skills and management practices involved in land ownership. For example, one individual owner's timber management program may be custodial. That is, he may allow nature to take its course thereby realizing a return of $10.00 per year on his purchase while another owner may manage his timber intensively, thereby realizing a $20.00 per acre year return ($15 net return) on a similar purchase.

Current market value by the Income Approach would be different for each owner or purchaser. Consider the following:

- Jim has 500 acres and spends nothing for management of his forest. Over a period of 20 years he expects to receive an average of $10.00 per acre per year return. He expects to sell the bare land for $350.00 per acre at the end of 20 years and for the $10.00 / acre / year / annual return and future sale he expects to receive a 9% return on his investment. Market value by the income approach for Jim is:

  $350.00 capitalized at 9% for 20 years = $ 62.45 / acre

  $10 / acre / year for 20 years @9% = $ 91.29

  $153.74 or $154 per acre

- George has 500 acres. He also expects to sell the bare land at the end of 20 years for $350 per acre, but he intends to net an income of $15 / acre / year ($20 / acre / year less $5 for management cost) over the 20 year period. He, too, expects a 9% return on the investment. How much can he pay and still realize a 9% return? Said another way, what is George's market value by the income approach?

  Market value by the income approach for George is:

  $350 capitalized at 9% for 20 years = $ 62.45

  $ 15 / acre / year for 20 years @ 9% = $136.93

  $199.38 or $200 / acre

As you can readily see, the income approach is a necessary approach for the potential investor. But for a taxing authority a more uniform common denominator must be used, hence the market data or cost approach.

In recent years the annual Department of Revenue Conservation use study has been presented to BOA's across the state as evidence for an appeal based on the income approach. While a portion of the study relies on the income approach (65%) this study is not an acceptable representation of true fair market value of agricultural land in Georgia. The study is regulated by statute and was designed to provide an overall use value based on soil productivity in order to calculate an exemption from fair market value for tax payers that qualify based on a bona fide agricultural use. The original starting point for this study was in 1992 and has been limited by statue to a 3% increase per year and therefore could not and probably never be a true representation of current fair market value with regards to the income or market approach. The pages that follow contain the statute that regulates the study.

48-5-269. Authority to promulgate rules and regulations regarding uniform books, records, forms, and manuals; limits on change in current use value of conservation use property.
(a) Subject to the limitations contained in Chapter 2 of this title, the commissioner may promulgate rules and regulations specifically regarding this part, including, but not limited to, the following:

(1) Prescription of the forms, books, and records to be used for standard property tax reporting for all taxing units, including, but not limited to, the forms, books, and records to be used in the listing, appraisal, and assessment of property and how the forms, books, and records shall be compiled and kept;

(2) Prescription of the form and content of state-wide, uniform appraisal and assessment forms, books, and manuals;

(3) Development and prescription of procedures under which property sales ratio surveys shall be conducted; and

(4) Prescription of methods and procedures by which identification data, appraisal and assessment data, sales data, and any other information relating to the appraisal and assessment of property shall be furnished to the department using electronic data processing systems and equipment.

(b) The commissioner shall promulgate after consultation with the Department of Agriculture, the Georgia Agricultural Statistical Service, the Georgia Forestry Commission, the Department of Natural Resources, and the Cooperative Extension Service, and county tax officials shall follow uniform rules and regulations establishing a table of values for the current use value of bona fide conservation use property. Such rules and regulations shall apply to the evaluation of bona fide conservation use property, exclusive of any improvements thereon, which improvements shall

have their current use value determined as otherwise provided by law. Such rules and regulations shall include, but not be limited to, the following provisions and criteria:
(1) Sales data for arm's length, bona fide sales of comparable real property with and for the same existing use and per-acre property values determined by the capitalization of net income before property taxes, with sales data to be weighted 35 percent and income capitalization values to be weighted 65 percent. All sales data shall be adjusted to remove the influence of the size of the tract on the sales price of tracts below 50 acres in size. Income capitalization values shall be derived from the respective conservation use property classifications, with consideration given to productivity of the respective major geological or geographical regions, and for this purpose:

(A) Net income before property taxes shall be determined for:

(i) Agricultural land by calculating a weighted average of all crop and pasture acreage in each district as designated by paragraph (2) of this subsection in the following manner:

(I) Crop land by calculating the five-year weighted average of per-acre net income before property taxes from the major predominant acreage crops harvested in Georgia, and as used in this subdivision, the term "predominant acreage crops" means the top acreage crops with production in no less than 125 counties of the state; and

(II) Pasture property by calculating a five-year weighted average of per-acre rental rates from pasture land; and

(ii) Forest property by calculating a five-year weighted average of per-acre net income before property taxes from hardwood and softwood harvested in Georgia. For purposes of this division, the term "property taxes" shall not include the tax under Code Section 48-5-7.5 which tax shall be considered in calculating net income; and

(B) The capitalization rate shall be based upon:

(i) The long-term financing rate available on January 1 from the Regional Federal Land Bank located in Columbia, South Carolina, and published pursuant to 26 U.S.C. Section 2032A(e)(7)(A)(ii), further referenced by regulations 26 C.F.R. 20.2032A-4(e);

(ii) The arithmetic mean of Federal Farm Credit bond yields, whose maturity is no less than five years in the future, as published in the Wall Street Journal on January 1 or the most recent business day of the current year, rounded to the nearest hundredth;

(iii) For the purpose of determining the income capitalization rate, divisions (i) and (ii) of this subparagraph shall be given weighted influences of 80 percent and 20 percent, respectively; and

(iv) A property tax component which shall be the five-year average true tax rate for the unincorporated area of each county located within the regions established by paragraph (2) of this subsection;

(2) The state shall be divided into an appropriate grouping of the nine crop-reporting districts as delineated by the Georgia Agricultural Statistical Service for the purpose of determining any calculation under this subsection;

(3) In no event may the current use value of any conservation use property in the table of values established by the commissioner under this subsection for the taxable year beginning January 1, 1993, increase or decrease by more than 15 percent from its current use value as set forth in the table of values established by the commissioner under this subsection for the taxable year beginning January 1, 1992. In no event may the current use value of any conservation use property in the table of values established by the commissioner under this subsection for the taxable year beginning January 1, 1994, or any subsequent taxable year increase or decrease by more than 3 percent from its current use value as set forth in the table of values established by the commissioner under this subsection for the immediately preceding taxable year; and

(4) Environmentally sensitive properties as certified by the Department of Natural Resources shall be valued according to the average value determined for property of the same or similar soil type, as determined under paragraphs (1) and (2) of this subsection.

(c) In no event may the current use value of any conservation use property increase or decrease during a covenant period by more than 3 percent from its current use value for the previous taxable year or increase or decrease during a covenant period by more than 34.39 percent from the first year of the covenant period. The limitations imposed by this subsection shall apply to the total value of all the conservation use property that is the subject of an individual covenant including any improvements that meet the qualifications set forth in paragraph (1) of subsection (a) of Code Section 48-5-7.4; provided, however, that in the event the owner changes the use of any portion of the land or adds or removes therefrom any such qualified improvements, the limitations imposed by this subsection shall be recomputed as if the new uses and improvements were in place at the time the covenant was originally entered.

HISTORY: Ga. L. 1972, p. 1104, § 11; Code 1933, § 91A-1411, enacted by Ga. L. 1978, p. 309, § 2; Ga. L. 1991, p. 1903, § 10; Ga. L. 1993, p. 947, § 9; Ga. L. 1999, p. 81, § 48.

NOTES: EDITOR'S NOTES. --Ga. L. 1991, p. 1903, § 15, not codified by the General Assembly, provides that the amendment to this Code section shall be applicable beginning January 1, 1992, with respect to ad valorem taxation of timber and shall be applicable beginning January 1, 1992, for all other purposes. Taxation for prior periods shall continue to be governed by prior law.

Ga. L. 1993, p. 947, § 10, not codified by the General Assembly, provides: "Sections 1, 2, 3, 4, and 9 of this Act shall be applicable to all bona fide conservation use covenants entered into for all taxable years beginning on or after January 1, 1993, and to any table of values of bona fide conservation use property established by the state revenue commissioner for all taxable years beginning on or after January 1, 1993. Any bona fide conservation use covenant entered into for the taxable year beginning January 1, 1992, shall continue to be governed by the law in effect for that taxable year."
Title Note
Chapter Note
Article Note
Part Note

48-5-1. Legislative Intent
The intent and purpose of the tax laws of this state are to have all property and subjects of taxation returned at the value which would be realized from the cash sale, but not the forced sale, of the property and subjects as such property and subjects are usually sold except as otherwise provided in this chapter.

48-5-2. Definitions
As used in this chapter, the term:

(.1) 'Arm's length, bona fide sale' means a transaction which has occurred in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing buyer and a willing seller, each acting in his or her own self-interest, including but not limited to a distress sale, short sale, bank sale, or sale at public auction.

(1) "Current use value" of bona fide conservation use property means the amount a knowledgeable buyer would pay for the property with the intention of continuing the property in its existing use and in an arm's length, bona fide sale and shall be determined in accordance with the specifications and criteria provided for in subsection (b) of Code Section 48-5-269.

(2) "Current use value" of bona fide residential transitional property means the amount a knowledgeable buyer would pay for the property with the intention of continuing the property in its existing use and in an arm's length, bona fide sale. The tax assessor shall consider the following criteria, as applicable, in determining the current use value of bona fide residential transitional property:

(A) The current use of such property;

(B) Annual productivity; and

(C) Sales data of comparable real property with and for the same existing use.

(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale. The income approach, if data is available, shall be considered utilized in determining the fair market value of income-producing property, and, if actual income and expense data are voluntarily supplied by the property owner, such data shall be considered in such determination. 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. With respect to the valuation of equipment, machinery, and fixtures when no ready market exists for the sale of the equipment, machinery, and fixtures, fair market value may be determined by resorting to any reasonable, relevant, and useful information available, including, but not limited to, the original cost of the property, any depreciation or obsolescence, and any increase in value by reason of inflation. Each tax assessor shall have access to any public records of the taxpayer for the purpose of discovering such information.

(A) In determining the fair market value of a going business where its continued operation is reasonably anticipated, the tax assessor may value the equipment, machinery, and fixtures which are the property of the business as a whole where appropriate to reflect the accurate fair market value.

(B) The tax assessor shall apply the following criteria in determining the fair market value of real property:

(i) Existing zoning of property;

(ii) Existing use of property, including any restrictions or limitations on the use of property resulting from state or federal law or rules or regulations adopted pursuant to the authority of state or federal law;

(iii) Existing covenants or restrictions in deed dedicating the property to a particular use;

(iv) Bank sales, other financial institution owned sales, or distressed sales, or any combination thereof, of comparable real property;

(v) Decreased value of the property based on limitations and restrictions resulting from the property being in a conservation easement;

(vi) Rent limitations, operational requirements 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 described in subparagraph (B.1) with respect to real property which are claimed and granted pursuant to either Section 42 of

the Internal Revenue Code of 1986, as amended, or Chapter 7 of this paragraph title or receiving any other state or federal subsidies provided with respect to the use of the property as residential rental property; provided, however, that such properties described in subparagraph (B.1) of this paragraph this division shall not be considered comparable real property for the assessment or appeal of assessment of other properties not covered by this division; and
(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.

(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

(vii) Any other existing factors provided by law or by rule and regulation of the commissioner deemed pertinent in arriving at fair market value.

(B.1) The tax assessor shall not consider any income tax credits with respect to real property which are claimed and granted pursuant to either Section 42 of the Internal Revenue Code of 1986, as amended, or Chapter 7 of this title in determining the fair market value of real property.

(B.2) In determining the fair market value of real property, the tax assessor shall not include the value of any intangible assets used by a business, wherever located, including patents, trademarks, trade names, customer agreements, and merchandising agreements.

(C) Fair market value of "historic property" as such term is defined in subsection (a) of Code Section 48-5-7.2 means:

(i) For the first eight years in which the property is classified as "rehabilitated historic property," the value equal to the greater of the acquisition cost of the property or the appraised fair market value of the property as recorded in the county tax digest at the time preliminary certification on such property was received by the county board of tax assessors pursuant to subsection (c) of Code Section 48-5-7.2;

(ii) For the ninth year in which the property is classified as "rehabilitated historic property," the value of the property as determined by division (i) of this subparagraph plus one-half of the

difference between such value and the current fair market value exclusive of the provisions of this subparagraph; and

(iii) For the tenth and following years, the fair market value of such property as determined by the provisions of this paragraph, excluding the provisions of this subparagraph.

(D) Fair market value of "landmark historic property" as such term is defined in subsection (a) of Code Section 48-5-7.3 means:

(i) For the first eight years in which the property is classified as "landmark historic property," the value equal to the greater of the acquisition cost of the property or the appraised fair market value of the property as recorded in the county tax digest at the time certification on such property was received by the county board of tax assessors pursuant to subsection (c) of Code Section 48-5-7.3;

(ii) For the ninth year in which the property is classified as "landmark historic property," the value of the property as determined by division (i) of this subparagraph plus one-half of the difference between such value and the current fair market value exclusive of the provisions of this subparagraph; and

(iii) For the tenth and following years, the fair market value of such property as determined by the provisions of this paragraph, excluding the provisions of this subparagraph.

(E) Timber shall be valued at its fair market value at the time of its harvest or sale in the manner specified in Code Section 48-5-7.5.

(F) Fair market value of "brownfield property" as such term is defined in subsection (a) of Code Section 48-5-7.6 means:

(i) Unless sooner disqualified pursuant to subsection (e) of Code Section 48-5-7.6, for the first ten years in which the property is classified as "brownfield property," or as this period of preferential assessment may be extended pursuant to subsection (o) of Code Section 48-5-7.6, the value equal to the lesser of the acquisition cost of the property or the appraised fair market value of the property as recorded in the county tax digest at the time application was made to the Environmental Protection Division of the Department of Natural Resources for participation under Article 9 of Chapter 8 of Title 12, the "Georgia Hazardous Site Reuse and Redevelopment Act," as amended; and

(ii) Unless sooner disqualified pursuant to subsection (e) of Code Section 48-5-7.6, for the eleventh and following years, or at the end of any extension of this period of preferential assessment

pursuant to subsection (o) of Code Section 48-5-7.6, the fair market value of such property as determined by the provisions of this paragraph, excluding the provisions of this subparagraph.

(4) "Foreign merchandise in transit" means personal property of any description which has been or will be moved by waterborne commerce through any port located in this state and:

(A) Which has entered the export stream, although temporarily stored or warehoused in the county where the port of export is located; or

(B) Which was shipped from a point of origin located outside the customs territory of the United States and on which United States customs duties are paid at or through any customs district or port located in this state, although stored or warehoused in the county where the port of entry is located while in transit to a final destination.

(5) "Forest land conservation value" of forest land conservation use property means the amount determined in accordance with the specifications and criteria provided for in Code Section 48-5-271 and Article VII, Section I, Paragraph III(f) of the Constitution.

(6) "Forest land fair market value" means the 2008 fair market value of the forest land; provided, however, that when the 2008 fair market value of the forest land has been appealed by a property owner and the ultimate fair market value of the forest land is changed in the appeal process by either the board of assessors, the board of equalization, a hearing officer, an arbitrator, or a superior court judge, then the final fair market value of the forest land shall replace the 2008 fair market value of the forest land. This final fair market value of the forest land shall be used in the calculation of local assistance grants. If local assistance grants have been granted to either a county, a county board of education, or a municipality based on the 2008 fair market value of forest land and subsequently the fair market value of such forest land is reduced on an appeal, then the county or the municipality shall reimburse the state, within 12 months unless otherwise agreed to by the parties, the difference between local assistance grants paid to the county or municipality and the amount which would have been due based on the final fair market value of the forest land. Such 2008 valuation may increase from one taxable year to the next by a rate equal to the percentage change in the price index for gross output of state and local government from the prior year to the current year as defined by the National Income and Product Accounts and determined by the United States Bureau of Economic Analysis and indicated by the Price Index for Government Consumption Expenditures and General Government Gross Output (Table 3.10.4).

Rules and Regulations
Chapter 560-11-10 Appraisal Procedures Manual 560-11-10-.01 – 560-11-10-.10

560-11-10-.01 Purpose and Scope
(1) Purpose

This appraisal procedures manual has been developed in accordance with Code section 48-5-269.1 which directs the Revenue Commissioner to adopt by rule, subject to Chapter 13 of Title 50, the "Georgia Administrative Procedure Act," and maintain an appropriate procedural manual for use by the county property appraisal staff in appraising tangible real and personal property for ad valorem tax purposes.

(2) Specific procedures

In order to facilitate the mass appraisal process, specific procedures are provided within this Chapter that is designed to arrive at a basic appraisal value of real and personal property. These specific procedures are designed to provide fair market value under normal circumstances. When unusual circumstances are affecting value, they should be considered. In all instances, the appraisal staff will apply Georgia law and generally accepted appraisal practices to the basic appraisal values required by this manual and make any further valuation adjustments necessary to arrive at the fair market values.

(3) Board of tax assessors

The county board of tax assessors shall require the appraisal staff to observe the procedures in this manual when performing their appraisals. The county board of tax assessors may not adopt local procedures that are in conflict with Georgia law or the procedures required by this manual. The county board of tax assessors must consider the appraisal staff information in the performance of their duties. In each instance, however, the assessment placed on each parcel of property shall be the assessment established by the county board of tax assessors as provided in Code section 48-5-306.

(4) Other appraisal procedures

The appraisal staff may use those generally accepted appraisal practices set forth in the Uniform Standards of Professional Appraisal Practice, published by the Appraisal Foundation, and the standards published by the International Association of Assessing Officers, as they may be amended from time to time, to the extent such practices do not conflict with this manual and Georgia law.

560-11-10-.02 Definitions

(1) Definitions.

When used in this Chapter, the definitions found in this Rule shall apply.

(a) Absorption rate

"Absorption rate" means the rate at which the real estate market can absorb real property of a given type.

(b) Appraiser

"Appraiser" means a member of the county appraisal staff, who serves the board of tax assessors and whose position was created pursuant to Part 1 of Article 5 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated. This term does not limit its meaning to a single appraiser and may mean one or more members of the county appraisal staff.

(c) Basic cost approach

"Basic cost approach" means a cost approach procedure, used in the mass appraisal of personal property, which uses standard estimates of the most common factors affecting the value of such property. The basic cost approach is intended to provide a uniform estimate of personal property value.

(d) Depreciation

"Depreciation" means the loss of value due to any cause. It is the difference between the market value of a structural improvement or piece of equipment and its reproduction or replacement cost as of the date of valuation. Depreciation is divided into three categories, physical deterioration, functional obsolescence, and economic obsolescence. Depreciation may be further characterized as curable or incurable depending upon the difficulty or practicality of restoring the lost value through repair or maintenance.

(e) Economic life

"Economic life" means the period during which property may reasonably be expected to perform the function for which it was designed or intended.

(f) Economic obsolescence

"Economic obsolescence" means a form of depreciation that measures a loss of value from negative influence external to the real or personal property. It results when the desirability or useful life of real or personal property is impaired due to forces such as changes in optimum use, legislative enactment that restricts or impairs productivity, and changes in supply and demand relationships. Economic obsolescence is normally incurable.

(g) Effective age

"Effective age" means the age of an improvement to property as compared with other property performing like functions. It is the actual ageless the age that has been taken off by face-lifting, structural reconstruction, removal of functional inadequacies, modernization of equipment, and similar repairs and overhauls. It is an age that reflects a true remaining life for the property, taking into account the typical life expectancy of buildings or equipment of its class and usage.

(h) Fair market value

"Fair market value" means fair market value as defined in Code section 48-5-2 (3).

(i) Final assessment

"Final Assessment" means the assessed value of real property as stated on the Annual Notice of Assessment as approved by the Board of Assessors. Amendments to “Final assessment” for real property are prohibited absent a clerical error or some other lawful basis; and in the case of personal property, the appraisal staff has completed its audit of the personal property pursuant to Rule 560-11-10-.08(4)(d) within the three year statute of limitations.

(j) Functional obsolescence

"Functional obsolescence" means a form of depreciation that measures a loss of value from a design deficiency or appearance in the market of a more innovative design. Some functional obsolescence may be curable and some functional obsolescence may be incurable.

(k) Inventory

"Inventory" means goods held for sale or lease or furnished under contracts for service; also, raw materials, work in process or materials used or consumed in a business.

(l) Large acreage tract

"Large acreage tract" means a rural land tract that is greater in acreage than the small acreage break point.

(m) Mass appraisal

"Mass appraisal" means the process of valuing a universe of properties as of a given date using standard methodology, employing common data and allowing for statistical testing.

(n) Most Recent Arm's Length Sale

As referenced in OCGA 48-5-2(3), transactions must occur prior to the statutory date of valuation to become eligible for the value limitations imposed in 48-5-2(3). Furthermore, where the exchange of property is defined as an arm's length transaction, the sum of the value of the exchanged real estate property components, land and improvements, in the year following the property exchange shall not exceed the transaction's sale price adjusted for non-real estate values such as but not limited to, timber, personal property, etc. The adjustment to the value of the real estate shall remain in effect for at least the digest year following the transaction. With respect to changes in the exchanged real estate property components since the time of exchange (sale date), the value of new improvements, value of additions to existing improvements (footprint of exchanged structure has been altered), major remodeling or renovations to existing structures (footprint of exchanged structure has not been altered), and adjustments to land due to consolidation of tracts, new surveys, zoning changes, land use changes, etc. shall be added to the sales price adjusted values. In the event an exchanged real estate property structure is renovated or remodeled, the term major shall be construed such that both the property owner and BOA would reasonably conclude a major renovation/remodeling has occurred. If either party, acting reasonably, could debate that the renovation/remodeling effort was not major in nature, the renovation/remodeling effort does not qualify and shall not be added to the sales price adjusted values. Any modifications made to the exchanged real estate property after the sale date that result in a lower value of the exchanged property shall be considered in the final valuation of property for the digest.

(o) Original cost

"Original cost" means, in the case of machinery, equipment, furniture, personal fixtures, and trade

fixtures in the hands of the final user, all the direct costs associated with acquiring, transporting and installing such property at the site where it is to be used. This includes the cost of the property to the property owner, the cost of transporting the property to its present site, the cost of any on-site assembly or customized modification of the property, the cost of installing the property, the cost of installing personal fixtures and trade fixtures necessary for the proper operation of the property, and any sales or use tax paid on the property. Original cost is equivalent to original cost new if the property owner was the first to put the personal property into service.

(p) Original cost new

"Original cost new" means, in the case of machinery, equipment, furniture, personal fixtures, and trade fixtures in the hands of the final user, all the direct costs associated with acquiring, transporting and installing such property at the site where it is to be used. This includes the historical cost of the property at the time it was first put into service new, the cost of transporting the property to its present site, the cost of any on-site assembly or customized modification of the property, the cost of installing the property, the cost of installing personal fixtures and trade fixtures necessary for the proper operation of the property, and any sales or use tax paid on the property. Original cost new is equivalent to original cost if the property owner was the first to put the personal property into service.

(q) Paired sales analysis

"Paired sales analysis," means the comparing of the sale prices of similar properties, some with and some without a particular characteristic, in order to determine what portion of the difference in sales price might be attributable to such characteristic.

(r) Personal fixtures

"Personal fixtures" means personal property that has been set-up or installed on land or in a building or in a group of buildings and is not permanently attached to such land or buildings. A consideration for whether personal property is a personal fixture is whether its removal would cause significant damage to such property or to the real property on which it has been set-up or installed. The term personal fixtures shall not include trade fixtures. Personal fixtures are classified as personal property. Examples of personal fixtures are desks, shelving, display cases and gondolas.

(s) Personal property

"Personal property" means tangible personal property that may be seen, weighed, measured, felt, or touched or which is in any other manner perceptible to the senses. Personal property shall include trade fixtures. For the purposes of this Rule, personal property shall not include 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.

(t) Physical deterioration

"Physical deterioration" means a form of depreciation that measures the loss of utility of real or personal property over time from wear and tear, age, and exposure to the elements. Some physical deterioration may be curable and some physical deterioration may be incurable.

(u) Ready market

"Ready market," means a market, possibly global, where exchanges of machinery, equipment, personal fixtures and trade fixtures occur with such regularity and under such conditions as to provide a reliable measure of fair market value. Five conditions that may indicate a ready market are: the items of personal property being sold within the market are reasonable substitutes for each other; there are an adequate number of buyers and sellers of the personal property in the market, no one of whom can measurably affect price; there is an absence of artificial restraints and unusual incentives in the market; the item of personal property is reasonably free to be moved where it will receive the greatest return and buyers are reasonably free to buy where the price is lowest; and buyers and sellers are knowledgeable and informed about market conditions.

(v) Real estate

"Real estate" means the physical parcel of land, improvements to the land, improvements attached to the land, real fixtures and appurtenances such as easements.

(w) Real fixtures

"Real fixtures" means personal property that has been installed or attached to land or a building or group of buildings and is intended to remain permanently in its place. A consideration for whether personal property is a real fixture is whether its removal would cause significant damage to such property or to the real property to which it is attached. The term real fixtures shall not include

trade fixtures. Real fixtures are classified as real property. Examples of real fixtures are plumbing, heating and cooling, and lighting fixtures.

(x) Real property

"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.

(y) Replacement cost

"Replacement cost" for real property means the cost required to construct a similar structure with like utility as the subject property using modern design, materials, and workmanship. Replacement cost for personal property means the current cost of a similar new item having the nearest equivalent utility as the subject property.

(z) Reproduction cost

"Reproduction cost" for real property means the cost required to construct an identical or exact replica structure of the subject property. Reproduction cost for personal property means the current cost of duplicating an identical new item.

(aa) Residual value

"Residual value" means the value of personal property that is at the end of its normally expected economic life but still in use.

(bb) Rural land

"Rural land" means any land that that normally lies outside corporate limits, planned subdivisions, commercial sites, and industrial sites.

(cc) Salvage value

"Salvage value" means the value of personal property that is at the end of its normally expected economic life and has been taken out of use.

(dd) Small acreage break point

"Small acreage break point" means the point, expressed as a number of acres, at which the slope of a trend line, drawn through the plotted qualified sales of rural land on a graph, reflects a distinct and pronounced change. Such graph uses the dollars per acre on the vertical axis and numbers of acres on the horizontal axis. The small acreage break point should show the point below which the market factors of accessibility and desirability of the land primarily influence value, and above which the productivity of the soil and suitability for timber growth primarily influence value.

(ee) Small acreage tract

"Small acreage tract" means a rural land tract that is equal to or smaller in acres than the small acreage break point.

(ff) Tax situs

"Tax situs" means the location of personal property for ad valorem tax purposes.

(gg) Trade fixtures

"Trade fixtures" means fixtures that are owned and temporarily installed or attached to a rented space or building by a tenant and used in conducting a business. For personal property to be classified as trade fixtures the lease or rental agreement has to show intent for the fixtures to be removed by the owner at the termination of the lease. Fixtures that revert to the landlord when the lease is terminated are not trade fixtures. Property shall not be classified as a trade fixture when the cost of removal, or damage that removal would cause to the realty, or to the fixture itself, clearly indicates that a tenant is unlikely to remove such fixture at the termination of the lease. Trade fixtures shall be classified as personal property.

(hh) Transitional real property

"Transitional real property" means any real property that is undergoing a change in use, such as residential, agricultural, commercial, or industrial, and has not been firmly established in its new use. Change in use may be evidenced by recent zoning changes, purchase by a known developer, affidavits of intent, or close proximity to property exposed to these market factors.

(ii) Trend

"Trend" means an observable tendency of behavior such as stable economic direction over extended periods despite temporary fluctuations.

560-11-10-.09 Real Property Appraisal
(1) Real property - Introduction

The appraisal staff shall follow the provisions of this Rule when performing their appraisals of real property. Irrespective of the valuation approach used, the result of any appraisal of real property by the appraisal staff shall conform to the definition of fair market value.

(a) General valuation procedures.

The appraisal staff shall consider the sales comparison, cost, and income approaches in the appraisal of real property. The degree of dependence on any one approach will change with the availability of reliable data and type of property being appraised. The appraisal staff may express the final fair market value estimate to the board of tax assessors in numbers that are rounded to the nearest hundred dollars.

(b) Real property identification.

The appraisal staff shall identify real property, determine its taxability, and classify it for addition to the county ad valorem tax digest in accordance with this subparagraph.

1. Distinguishing real property.

The appraiser shall be required to correctly identify real property and distinguish it from personal property where the proper valuation procedures, as set forth in this Rule, may be followed.

(i) Real property examples.

As used in this Rule, real property shall be that property defined in Rule 560-11-10-.02(1)(w). This Rule shall provide illustrations to assist the appraiser in the proper interpretation of the definition. However, these illustrations should not be construed in a manner that conflicts with the definition. Examples of real property are tangible items such as land, all improvements attached to land, real fixtures, and leasehold interests in real property.

(ii) Identification of real fixtures.

When property the appraiser believes to be a real fixture has not been returned by the landlord, the appraiser shall require the landlord to produce their lease agreement and shall carefully review the agreement before making their recommendation to the board of tax assessors regarding the classification and taxability of the property in question. The appraiser shall inform the landlord that they may redact, at their option, any information relating to the payments that are required by the lease agreement.

2. Assessment date.

Code section 48-5-10 provides that each return by a property owner shall be for property held and subject to taxation on January 1 of the tax year. The appraisal staff shall base their decisions regarding the taxability, uniform assessment, and valuation of real property on the circumstances of such property on January 1 of the tax year for which the assessment is being prepared. When real property is transferred to a new owner or converted to a new use, the circumstances of such property on January 1 shall nevertheless be considered as controlling.

3. Classification.

The appraisal staff shall classify real property as provided in Rule 560-11-2-.21 for inclusion in the county tax digest. Real property may be further stratified and categorized as appropriate for aggregating comparable properties for an appraisal.

(2) Return of real property.

In accordance with Code section 48-5-299 (a), the appraisal staff, on behalf of the board of tax assessors, shall investigate diligently and inquire into the property owned in the county, for the purpose of ascertaining what real and tangible personal property is subject to taxation in the county and to require the proper return of the property for taxation. The appraisal staff shall make such investigation as may be necessary to determine the value of any property upon which for any reason all taxes due the state or the county have not been paid in full as required by law. In all cases where taxes are assessed against the owner of property, the appraisal staff shall prepare a proposed assessment on the property according to the best information obtainable.

(a) Information sources.

The appraisal staff should develop and maintain information sources for the discovery of unreturned real property.

(b) Returns.

The county appraisal staff shall review the returns in accordance with policies and procedures set by the county board of tax assessors consistent with Georgia law and this Rule. Each year, after the deadline for filing returns, the appraisal staff shall secure the returns from the official responsible for receiving returns on or before the tenth day following such deadline.

1. New returns.

Department of Revenue form PT-50R is authorized for use by property owners when returning real property. No other form shall be provided for this purpose to property owners by the county official responsible for receiving returns unless previously approved in writing by the Revenue Commissioner.

2. Automatic returns.

In accordance with Code section 48-5-20, the appraisal staff shall deem any property owner that does not file a return by the deadline as returning for taxation the same property as was returned or deemed to have been returned in the preceding tax year at the same valuation as the property was finally determined to be subject to taxation in the preceding year.

3. Real estate transfer declaration forms.

The Department of Revenue has established Form PT-61 for owners to declare the real estate transfer tax due when property is transferred from one owner to another. The appraisal staff shall review all PT-61 forms filed with the clerk of superior court to discover new owners of property and to ascertain if their property has been returned for taxation. When a property owner acquires real property by transfer in the preceding tax year and does not file a return on such property for the current tax year, the appraisal staff shall follow the procedures of this subparagraph to determine if the newly acquired property has been properly returned for taxation.

(i) When real estate transfer tax declaration form properly completed.

For the purposes of subparagraph (2)(b)(3) of this Rule, the PT-61 form shall be deemed properly completed when all applicable information required by the instructions on the form has been entered on the form, it has been signed by the new owner and filed in quadruplicate with the clerk of superior court. A PT-61 form shall not be deemed properly completed when the appraisal staff determines any of the required information on the form is omitted, false, or misleading.

(ii) When transferred property deemed returned.

When a property owner acquires by transfer real property that has not been subdivided from the preceding tax year, and such owner properly completes a real estate transfer tax PT-61 form and pays any real estate transfer tax that may be due as provided in Article 1 of Chapter 6 of Title 48 of the Code, the appraisal staff shall deem the owner as having returned the property acquired by transfer at the same value finally determined to be applicable to such property for the preceding year.

(iii) When transferred property deemed unreturned.

The appraisal staff shall not deem as returned any property:

(I) That is an improvement made since January 1 of the preceding tax year to property that has been transferred;

(II) That has been transferred and for which the real estate transfer tax PT-61 form has not been properly completed;

(III) That has been transferred and for which the real estate transfer tax PT-61 form has not been filed with the clerk of superior court on or before the deadline for returning property in the year following the year the property is transferred; and

(IV) That has been transferred and for which the real estate transfer tax has not been paid.

(c) Reassessments.

The appraisal staff may not recommend to the board of tax assessors a reassessment of the same real property for which a final assessment has already been made by the board. For the purposes of this subsection, the appraisal staff shall presume that a final assessment on real property includes both the land and any improvements to the land.

1. Recently appealed real property.

The appraisal staff shall observe the provisions of Code section 48-5-299 (c) and this subparagraph before recommending a change to the assessment of real property that was the subject of an appeal on either the immediately preceding tax digest or the next immediately preceding tax digest. Such property shall be designated in the appraisal staff's records as recently appealed property for the two tax years following the year of the appeal. This subparagraph shall not apply when such property has been returned by the taxpayer at a value different from the appeal-established value.

2. Changing assessment of recently appealed real property.

In the two tax years following an appeal, the appraisal staff may not recommend an increase of assessment for the sole purpose of changing the valuation established or decision rendered in an appeal to the board of equalization, hearing officer, arbitration, or superior court. Rather a new appraisal must be accompanied by an on-site inspection to determine the occurrence of any substantial additions, deletions, or improvements to such property, errors in the appraisal staff's records or material factors that substantially affect the current fair market value of such property since the appeal was heard that established the value of the property. The appraisal staff may recommend, consistent with the provisions of this subparagraph, to the board of tax assessors a change of assessment on the property that was the subject of the appeal when an appraisal based on current market conditions indicates the value has changed substantially from the value established by the recent appeal. Such appraisal shall be accompanied by a written statement attesting to the fact that an appraiser has conducted the required on-site inspection of the subject property and setting forth the reasons why the appraiser believes that a change of assessment is authorized under Code section 48-5-299 (c) and this subparagraph. The written statement shall attest to at least one of the following: substantial additions, deletions, or improvements to such property has occurred since January 1 of the appeal year; an error has been discovered in the property records regarding the description or characteristics of the subject property; or an occurrence of other material factors that substantially affect the current fair market value of the subject property. With respect to the term ‘substantial’; when making determinations of whether to increase a recently appealed property the appraiser shall consider the subject property components since the time of appeal (appeal hearing date), such as the value of new improvements, value of additions to existing improvements (footprint of exchanged structure has been altered), major remodeling or renovations to existing structures (footprint of exchanged structure has not been altered), and adjustments to land due to consolidation of tracts, new surveys, zoning changes, land use changes. In the event an appealed property is renovated or remodeled, the term ‘substantial’ shall be construed such that both the property owner and BOA would reasonably conclude a major renovation/remodeling has occurred. Any modifications made to the appealed property after the appeal hearing date that result in a lower value of the appealed

property shall be considered in the final valuation of property for the subsequent January 1 assessment.

(d) Collecting and maintaining property information.

The appraisal staff shall keep a record of information relevant to the ownership and valuation of all real property in the county and shall follow the procedures in this subparagraph when collecting and maintaining such real property data.

1. Description of property information.

The type of information the appraisal staff shall maintain includes, but is not limited to, property ownership, location, size, use, physical characteristics, sales prices, construction costs, rents, and operating expenses to the extent such information is available. The appraisal staff shall, consistent with this subparagraph, recommend to the board of tax assessors a uniform policy regarding the information to be included in their records.

(i) Geographic information.

Cadastral maps or computerized geographic information systems are to be maintained by the appraisal staff for all real property located in the county. In the event the county governing authority has established a separate mapping office and the maps maintained by such office conform to the requirements of this subparagraph, the appraisal staff may provide relevant information to such mapping office and still be in compliance with this subparagraph. Minimum mapping specifications shall include the following: all streets and roads plotted and identified; property lines delineated for each real property parcel; unique parcel identifier for each parcel; and physical dimensions or acreage estimate for each parcel. The appraisal staff shall use the parcel identifiers to link the real property records to the maps. The appraisal staff shall notify the Revenue Commissioner of all proposed changes to existing parcel-numbering systems before implementing such changes.

(ii) Sales information.

The appraisal staff shall maintain a record of all sales of real property that are available and occur within the county. The appraisal staff should also familiarize themselves with overall market trends within their immediate geographical area of the state. They should collect and analyze sales data from other jurisdictions having market and usage conditions similar to their county for consideration when insufficient sales exist in the county to evaluate a property type, especially

large acreage tracts. The Real Estate Transfer Tax document, Department of Revenue Form PT-61, shall be a primary record source. However, the appraisal staff may also review deeds of transfer and security deeds recorded in the Office of the Superior Court Clerk, and probated wills recorded in the Office of the Probate Judge to maintain a record of relevant information relating to the sale or transfer of real property. Records required to be maintained shall include at a minimum the following information: map and parcel identifier; sale date; sale price; buyer's name; seller's name; deed book and page number; vacant or improved; number of acres or other measure of the land; representativeness of sale using the confirming criteria provided in Rule 560-11-2-.56 (1)(d); any income and expense information reasonably available from public records; property classification as provided in Rule 560-11-2-.21, and; when available, the appraised value for the tax year immediately following the year in which the sale occurred.

(iii) Property characteristics.

The appraisal staff shall maintain a record of real property characteristics. This record shall include, but not be limited to, sufficient property characteristics to classify and value the property. In addition, the following criteria may be considered when determining which characteristics should be gathered and maintained: factors that influence the market in the location being considered; requirements of the valuation approach being employed; digest classification and stratification; requirements of other governmental and private users; and marginal benefits and costs of collecting and maintaining each property characteristic.

(iv) Land and location characteristics.

The appraisal staff shall maintain a record of the land and location characteristics. The record should include, but not be limited to, zoning, use, legal or deed restrictions on use, covenants, parcel shape and size, neighborhood and other locational characteristics such as view, topography, and corner influence, proximity to recreational bodies of water, nuisances and similar external influences.

(v) Improvement characteristics.

The appraisal staff shall maintain a record of the characteristics of the improvements to land. The record shall include, but not be limited to, the size, actual use, design, construction quality, construction materials, age and observed condition.

2. Collecting property information.

The appraisal staff shall, consistent with the policies of the board of tax assessors and this

subparagraph, physically inspect properties when necessary to gather the information required by Rule 560-11-10-.09(2)(d).

(i) Field inspections.

The appraisal staff shall develop and present to the board of tax assessors for approval procedures that provide for periodic field inspections to identify properties and ensure that property characteristics information is complete and accurate. The procedures shall include guidelines for the physical inspection of the property by either appraisers or specially trained data collectors. The format should be designed for standardization, consistency, objectivity, completeness, easy use in the field, and should facilitate later entry into a computer assisted mass appraisal system, when one is used. When interior information is required, the procedures shall include guidelines on how and when to seek access to the property along with alternative procedures when such access is not permitted or feasible.

3. Maintaining property characteristics information.

The appraisal staff shall systematically update the property characteristics information in response to changes brought about by new construction, new parcels, remodeling, demolition, and destruction. The appraisal staff shall physically measure and update their records to reflect all such changes to real properties in the county.

4. Records retention schedules.

The appraisal staff shall develop, in accordance with the provisions of Code section 50-18-99, records retention schedules for each series of documents maintained in their office and have such schedules approved by the board of tax assessors before submitting the schedules to the State Records Committee for official approval pursuant to Code section 50-18-92.

(i) Building permits.

In counties that issue building permits, no appraisal shall be based solely on declarations of proposed construction cost made by the person obtaining such building permits.

(ii) Aerial photographs.

New aerial photographs should be compared to previous aerial photographs, if such photographs exist, to discover new or previously unrecorded construction.

(iii) Field review frequency.

All real property parcels should be physically reviewed at least once every three years to ascertain that property information records are current.

(3) Land valuation.

The appraisal staff shall estimate land values by use of the sales comparison or income approach to value as provided in this subparagraph giving preference to the sales comparison approach when adequate land sales are available. The appraisal staff shall identify and describe the property, collect site-specific information, make a study of trends and factors influencing value and obtain a physical measurement of the site. Once the subject is analyzed, the appraisal staff shall classify the land for valuation. Once land values have been estimated, such appraisals should be regularly reviewed and updated.

(a) Land analysis and stratification.

The appraisal staff shall appraise land separately from the improvements both to consider the trends and factors affecting each and to arrive at a separate assessment for the digest. In no event, however, may the separate appraisals of the land and improvements exceed the fair market value of the land and improvements when considered as a whole. For appraisal purposes, land shall be separated into different categories based on its use and sales within the market.

1. Site analysis.

The appraisal staff shall utilize the trends and factors affecting the value of the subject property, such as its accessibility and desirability. The existing zoning, existing use, existing covenants and use restrictions in the deed and in law shall be considered. The other factors the appraiser may consider include, but are not limited to, environmental, economic, governmental, and social factors. Site-specific information that may be considered includes, but is not limited to, location, frontage, width, depth, shape, size, topography, landscaping, slope, drainage, hydrology, off-site improvements, soil condition, oil productivity, and the quality of access.

2. Market research and verification.

The appraisal staff shall build and maintain an up-to-date file system of qualified sales as provided in Rule 560-11-10-.09(2)(d)(1)(ii). Other preferred information to be considered is the motivations of the buyer and seller, as obtained from actual interviews of the parties to the sales. Adjustments

to the sales to be considered by the appraiser include, but are not limited to, time of sale; location; physical characteristics; partial interest not conveyed; trades or exchanges included; personal property included; leases assumed; incomplete or unbuilt community property; atypical financing; existing covenants; deed restrictions; environmental, economic, governmental and social factors affecting the sale property and the subject parcel. These adjusted qualified sales may then be used to appraise the subject property.

(b) Acreage tract valuation.

The appraisal staff shall determine the small acreage break point to differentiate between small acreage tracts and large acreage tracts and develop or acquire schedules for the valuation of each. When this small acreage break point cannot easily be determined, the appraisal staff shall recommend to the board of tax assessors a reasonable break point of not less than five acres nor more than twenty-five acres. The base land schedules should be applicable to all land types in a county. The documentation prepared by the appraisal staff should clearly demonstrate how the land schedule is applied and explain its limitations.

1. Small acreage tract valuation schedule.

After the appraisal staff has performed the site analysis, as provided in Rule 560-11-10-.09(3)(a)(1), they shall analyze the market to identify groups of comparable properties that may be combined in the valuation process, as provided in Rule 560-11-10-.09(4)(b)(3). The appraisal staff shall then analyze the sales to establish a representative base price per acre, and adjustment factors for reflecting value added by the characteristics discovered in the site analysis. Using such base value and the adjustment factors, the appraisal staff shall develop the small acreage schedule for all acreage levels through the small acreage break point.

2. Large acreage tract valuation schedule.

After the appraisal staff has performed the site analysis, as provided in Rule 560-11-10-.09(3)(a)(1), they shall analyze the market to identify groups of comparable properties that may be combined in the valuation process, as provided in Rule 560-11-10-.09(4)(b)(3). The appraisal staff shall then analyze the sales to establish a representative benchmark price per acre, and adjustment values for reflecting incremental value associated with different productivity levels, sizes, and locations, as discovered in the site analysis. Using such benchmark values and adjustment values, the appraisal staff shall develop the large acreage schedule for all acreage levels above the small acreage break point.

(i) Land productivity values.

The appraisal staff should analyze sales of large acreage tracts to extract the value of all improvements, crop allotments, standing timber, and any other factors that influence the value above the base land value. The appraisal staff should then stratify the sales into two categories of open land and woodland. The base land values should be further stratified into up to nine productivity grades for each category of land, with grade one being the best, using the productivity classifications of the United States Department of Agriculture Natural Resources Conservation Service, where available. Where soil productivity information is not available, the appraisal staff may consult with the local United States Department of Agriculture Natural Resources Conservation Service Supervisor. Alternately, the appraisal staff may use any acceptable means by which to determine soil productivity grades including, but not limited to, aerial and infrared photography, historical soil productivity information, and present use. The appraisal staff should analyze sales within the strata and determine benchmark values for as many productivity grades as possible. The missing strata values are then determined by extrapolating between grades. In the absence of sufficient benchmark values, a system of productivity factors may be developed from crop or timber production based on ratings provided by the United States Department of Agriculture Natural Resources Conservation Service.

(ii) Pond values.

The appraisal staff should analyze sales of large acreage tracts containing ponds to extract the value of ponds. The appraisal staff should develop up to three grades of ponds based upon the quality of construction with regard to the dam, the amount of tree clearing within the pond body, and the nature of the waterline around the pond.

(iii) Location and size adjustments.

The appraisal staff should plot sales on an index map of the county where trends in sales prices based on size and location may be analyzed. From this analysis, the appraisal staff should develop adjustments for each homogeneous market area, which are based on a tract's location within the county. Within each identified homogeneous market area, sales should also be analyzed to develop adjustment factors for ranges of tract sizes where the market reflects a relationship between the value per acre and the number of acres in a tract. Such factors should be calculated to the fourth decimal place and should extend from the small acreage break point to the tract acreage point where size no longer appears to have a significant impact on the price paid per acre. The appraiser should select an acreage point between these two points that represents a typical agricultural use tract size and assign it an index factor value of 1.0000. Such adjustments should be supported by clearly identifiable changes in selling prices per acre. Finally, large acreage tracts that have sold within the most recent 24 months, unless no such sale has occurred in which case the

look back period should be 48 months, should be appraised using the schedule of adjustment factors and a sales ratio study performed to test for uniformity and conformity of the schedule to Rule 560-11-2-.56, and if the schedule thus conforms, the adjustments shall then be applied to all other large acreage tracts that are within the scope of the schedule being tested.

(iv) Adjustments for absorption

When insufficient large tract sales are available to create a reliable schedule of factors, the appraisal staff may use comparable sales to develop values for the size tracts for which comparables exist, and then adjust these values for larger tracts by (1) estimating a rate of absorption for the smaller tracts for which data exists, (2) dividing the large tract into smaller, marketable sections, (3) developing a sales schedule with estimated income by year reflecting the absorption rate and the value characteristics of each of the smaller tracts, (4) discounting the income schedule to the present using an appropriate discount rate, and (5) summing the resulting values to arrive at an estimated value for the property.

(v) Standing Timber Value Extraction

When determining the market value of land underlying standing timber, where such standing timber is taxed in accordance with Code section 48-5-7.5, the appraiser shall not rely exclusively on the sales prices of such land that has recently had the timber harvested. Rather he or she shall also consider sales of land with standing timber after the value of such standing timber has been determined in accordance with this subparagraph and deducted from the selling price.

(I) Determine timber value from buyer and seller.

For all types of timber, the value of the standing timber on recently sold land should be determined from reliable information from the buyer and seller clearly segregating the value of the standing timber from the underlying land. In the absence of such information, the appraiser may use one of the following methods to determine the value of the standing timber if in his or her judgment the results are reasonably consistent with other sales where buyer and seller information is known:

I. Calculate value of merchantable timber.

For all types of merchantable timber, the value of the standing timber may be determined by multiplying estimated volumes by product class, such as softwood and hardwood pulpwood, chip and saw logs, saw timber, poles, posts, and fuel wood, of timber on the property by prices for each

product class as obtained from the table of weighted average prices paid for harvested timber applicable to the year during which the sale occurred and prepared by the Commissioner pursuant to paragraph (g) of Code section 48-5-7.5. For the purposes of this subparagraph, merchantable timber shall include stands that have been in production for more than fifteen years. Estimated volumes by product class may be obtained by one of the following methods: reliable information from the buyer or seller or from specially trained data collectors who have estimated volumes from a visual on-site inspection or from an aerial survey.

II. Calculate value of pre-merchantable planted pine timber.

For pre-merchantable planted pine timber, the value of the standing timber may be determined by estimating the value of the timber at the age of merchantability and then prorating this value to the actual age of the pre-merchantable stand. The appraiser may arrive at this estimate using the following steps:

A. For each applicable timber product class, multiply the estimated tons of timber volume yield per acre for each product class at the age of merchantability times the locally prevailing timber price per ton of such product classes. Sum the individual results of the timber product class calculations into a single result.

(A) In the absence of reliable locally prevailing timber price per ton information, the appraiser may use timber price per ton from the table of weighted average prices paid for harvested timber prepared by the Commissioner pursuant to paragraph (g) of Code section 48-5-7.5.

(B) In the absence of specific yield information to the contrary, the appraiser may estimate timber volume yields at an average yield of 52.2 tons per acre or preferably by using the land productivity classifications established by Rule 560-11-10-.09(3)(b)(2)(i) and the following tables of estimated yields of fully stocked planted timber stands at age fifteen, and then adjusting the yields according to the actual stocking density of the timber stand.

Loblolly Pine – Lower Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	139	125	14
2	85 – 89	87	110	99	11
3	81 – 84	83	98	88	10
4	80	80	90	81	9
5	75 – 79	77	81	73	8
6	70 – 74	72	69	66	3
7	60 – 69	65	53	51	2
8	10 – 59	45	19	19	0
9	0 - 9	0	0	-	-

Loblolly Pine – Upper Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	129	116	13
2	85 – 89	87	103	93	10
3	81 – 84	83	93	84	9
4	80	80	85	77	8
5	75 – 79	77	78	70	8
6	70 – 74	72	67	63	4
7	60 – 69	65	52	49	3
8	10 – 59	45	18	18	0
9	0 - 9	0	0	-	-

Loblolly Pine – Piedmont					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	123	111	12
2	85 – 89	87	98	88	10
3	81 – 84	83	88	79	9
4	80	80	81	73	8
5	75 – 79	77	74	66	8
6	70 – 74	72	62	59	3
7	60 – 69	65	48	46	2
8	10 – 59	45	17	17	0
9	0 - 9	0	0	-	-

Slash Pine – Lower Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	155	139	16
2	85 – 89	87	114	103	11
3	81 – 84	83	98	88	10
4	80	80	87	78	9
5	75 – 79	77	77	69	8
6	70 – 74	72	61	58	3
7	60 – 69	65	42	40	2
8	10 – 59	45	11	11	0
9	0 - 9	0	0	-	-

Slash Pine – Upper Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	150	135	15
2	85 – 89	87	113	102	11
3	81 – 84	83	99	89	10
4	80	80	87	78	9
5	75 – 79	77	77	69	8
6	70 – 74	72	62	59	3
7	60 – 69	65	43	41	2
8	10 – 59	45	12	12	0
9	0 - 9	0	0	-	-

(C) In the absence of reliable local information on typical timber product class volume yields at the age of merchantability, the appraiser may assume that 90% of the timber will be pulpwood and 10% will be chip-n-saw.

B. Multiply the result in subparagraph A. by the number of acres of pre-merchantable timberland.

C. Deduct from the result in subparagraph B. the normal cost to establish a timber stand on cut over woodland, which shall be known as the base value. Normal cost may be determined from planters, local site preparation and planning contractors and other reliable sources.

D. Divide the result in subparagraph C. by the age of merchantability to determine the average annual timber growth value. In the absence of reliable local information to the contrary, the age of merchantability shall be fifteen years.

E. Multiply the result in subparagraph D. by the actual age of the standing timber to arrive at the value of the accumulated timber growth.

F. Add back the base value deducted in subparagraph C. to the result in subparagraph E. to yield the total value of the pre-merchantable standing timber.

III. Determine value of other pre-merchantable timber.

For types of pre-merchantable timber other than planted pine, the value of the standing timber may be determined from the best information available. In the absence of local reliable information to the contrary, the value of other pre-merchantable timber may be estimated as follows:

A. Natural stands less than five years of age should be assigned no value.

B. Natural pre-merchantable stands five years of age and older should be valued in the same manner as planted pine timber is valued, except the appraiser should make no adjustments for the base cost of establishing the timber stand; yields for natural pine stands should be estimated at fifty percent of the volume determined for a planted pine stand; and yields for hardwood stands should be estimated at forty percent of the value determined for a planted pine stand.

APM Timber Section

560-11-5-.01 Forms

(1) The Commissioner shall prepare and furnish a form, herewith adopted and designated as PT-283T, to be used by purchasers and sellers of standing timber to report taxable sales or harvests under this Chapter. Reports of unit price sales filed with the local county authorities shall be confidential, shall not be revealed to any persons other than authorized tax officials, and shall be exempt from disclosure under Article 4 of Chapter 18 of Title 50 of the Official Code of Georgia.
(2) The Commissioner shall prepare and furnish a form, herewith adopted and designated as PT-283TQ, to be used by purchasers when filing with the Commissioner the composite quarterly report required by Regulation 560-11-5-.05(2), of all purchases of standing timber by lump sum sales reflecting total volumes and total prices paid for the various timber product classes purchased during the preceding calendar quarter.
(3) A computer generated form PT-283T and form PT-283TQ may be used by any person reporting timber sales and harvests if the computer generated forms provide the necessary information and have been approved by the Commissioner.
(4) All form PT-283T reports and all approved computer generated PT-283T reporting forms filed with the county tax collector or tax commissioner and the board of tax assessors shall be retained for a period of three years after the date of receipt after which these may be disposed of consistent with any records disposition standards adopted by the appropriate authority of the county.

560-11-5-.02 Definitions

(1) For the purpose of implementing O.C.G.A. Section 48-5-7.5 and these regulations, the following terms are defined to mean:
(a) "Applicable millage rates" shall mean the millage levied by the taxing authority on tangible property for the preceding calendar year.
(b) "Sale" of standing timber shall mean the arm's length, bona fide sale of standing timber for harvest separate and apart from the underlying land and shall not include the simultaneous sale of a tract of land and the standing timber thereon.
(c) "Standing timber" shall be defined to include softwood and hardwood pulpwood, chip and saw logs, saw timber, poles, posts, and fuel wood. Such term shall not include any of the following:
1. Orchard trees, ornamental or Christmas trees;
2. By-products of standing timber such as straw, cones, leaves or turpentine;
3. By-products of harvesting such as bark or stumps that are not included in the consideration between buyer and seller in lump sum or unit price sales; or
4. Fuel wood harvested by the owner from his own property which is used exclusively for heating purposes within the premises occupied by said owner.
(d) "Timber product classes" shall be defined as follows: 1) softwood pulpwood, 2) hardwood pulpwood, (3) softwood chip-n-saw, 4) softwood saw timber, 5) hardwood saw timber, 6) softwood poles, 7) softwood posts, 8) hardwood posts, 9) softwood fuel wood chips, 10) hardwood fuel wood chips, 11) softwood fuel wood firewood and 12) hardwood fuel wood firewood.
(e) "Total property tax digest" means the total net assessed value to which the levy for maintenance and operations purposes shall be applied, and consists of all taxable tangible real and personal property appearing on the county tax digest for the applicable tax year including motor vehicle property, mobile home property and property of railroad and public utility companies.

560-11-5-.03 Taxable Timber Sales and Harvests

(1) Where standing timber is sold by timber deed, contract, lease, agreement, or otherwise to be harvested within a three-year period after the date of the sale and for a lump sum price, the standing timber to be harvested within said three-year period shall be assessed for taxation as of the date of the sale. The tax shall be levied based upon the total lump sum price paid by the purchaser in an arm's length bona fide sale.
(a) Ad valorem taxes shall be assessed as of the date of the sale and shall be payable by the seller who shall remit the amount of the taxes due to the purchaser in the form of a negotiable instrument payable to the tax collector or tax commissioner. The purchaser shall remit the seller's negotiable instrument to the tax collector or tax commissioner within five business days after receipt from the seller along with a report of the sale using form PT-283T or a computer generated form PT-283T as approved by the Commissioner, and the tax collector or tax commissioner shall promptly deliver a receipt to the seller showing the tax has been paid. The purchaser shall be personally liable for the tax if he does not remit the seller's negotiable instrument as required or if he fails to collect the negotiable instrument from the seller and in any event he shall remit the taxes due to the tax collector or tax commissioner within five business days of the date of the sale. With said remittance, a copy of the report form PT-283T or a computer generated form PT-283T as approved by the Commissioner, shall also be furnished by the purchaser to the board of tax assessors.
(b) Any standing timber described in any sale instrument which is not harvested within three years after the date of the sale shall later be assessed for taxation following its future harvest or sale. In the event it is later

harvested by the original purchaser, the board of tax assessors shall use the table of values prescribed by the Commissioner in Regulation 560-11-5-.05(1), and the taxes shall be paid by the original purchaser; otherwise, upon its sale or harvest after three years, the procedures for taxation shall be according to the manner in which such timber is sold or harvested.
(c) The ad valorem taxes on lump sum sales shall be paid to the tax collector or tax commissioner prior to and as a prerequisite for the filing for record with the clerk of superior court any instrument conveying the standing timber upon which taxes are due and payable, and no such instrument shall be recorded unless it has entered upon or attached thereto a certificate from the tax collector or tax commissioner showing that the taxes have been paid.
(2) Where standing timber is sold, in an arm's length, bona fide sale, by timber deed, contract, lease, agreement, or otherwise by unit prices, the purchaser shall furnish to the seller and to the board of tax assessors a report form PT-283T or a computer generated form PT-283T as approved by the Commissioner, reflecting the total dollar value paid to the seller as well as the individual volumes of timber harvested identified by timber product classes. The report shall cover all timber harvested through the last business day of the immediately preceding calendar quarter and it shall be furnished to the seller and the board of tax assessors within 45 days after the end of the calendar quarter during which the timber is harvested. A copy of the report PT-283T or a computer generated form PT-283T as approved by the Commissioner shall also be furnished by the seller to the board of tax assessors within 60 days after the end of each calendar quarter.
(a) Ad valorem taxes shall be payable to the tax collector or tax commissioner as specified by Regulation 560-11-5-.04(3) based upon the fair market value of the harvested timber which shall be the total dollar values paid by the purchaser in the arm's length, bona fide sale.
(3) Where standing timber is harvested by the owner of such timber from his own land, the owner shall, within 45 days after the end of the calendar quarter, file with the board of tax assessors a report form PT-283T or a computer generated form PT-283T as approved by the Commissioner of the volumes harvested through the last business day of the calendar quarter.
(a) Ad valorem taxes on owner harvest timber shall be payable to the tax collector or tax commissioner within 45 days after the end of the calendar quarter, based upon the fair market value of the harvested timber which shall be the total dollar values calculated using the average standing timber price schedule specified by Regulation 560-11-5-.05(1).
(4) Every sale and every harvest of standing timber occurring on or after January 1, 1992 that has not been previously taxed shall be a taxable event, with the exception of those sales of standing timber not to be harvested within three years. Where standing timber is sold or harvested (excepting only a sale not for harvest within three years) in any manner which is not a reportable taxable event under these Regulations as a lump sum sale, a unit price sale, or an owner harvest, such timber shall be subject to ad valorem taxation. Any such sale or harvest shall be reported and taxed under whichever provisions of this Regulation is most nearly applicable.
(a) Where, at the time of harvest, the standing timber owner does not own the underlying land and has not acquired such timber under a taxable lump sum or unit price sale, as would be the case where timber has been acquired prior to January 1, 1992, the harvest of such timber shall be a taxable event and shall be treated as an owner harvest, with the exception that the reporting requirement and the payment of taxes due shall be the responsibility of the owner of the standing timber instead of the underlying landowner.

560-11-5-.04 Procedures for Timber Taxation

(1) Standing timber shall be assessed for ad valorem taxation only once upon its sale or harvest as required by O.C.G.A. 48-5-7.5 and these Regulations. Said tax shall be levied upon the 100% fair market value of such timber as prescribed using applicable millage rates for each taxing jurisdiction.
(2) Where, with respect to any taxable event, the board of tax assessors has reason to believe that the reported sale is other than an arm's length, bona fide sale or that the reported volumes or values of the transaction are incorrect, the board may inquire into the transaction and make corrections to the fair market value of the timber in the same manner as changes to the fair market value of other taxable, tangible property are made. In any such instance, the taxpayer notification procedures, the appeal rights and remedies, and the hearing procedures shall all be accomplished in the same manner that other ad valorem tax assessments and appeals are accomplished.
(3) The tax collector or tax commissioner shall prepare and mail, on a quarterly basis, tax bills for ad valorem taxes due on sales and harvests other than lump sum sales and owner harvests. Except as otherwise provided in these Regulations, such taxes shall be payable by the landowner within 30 days after receipt of the tax bill. For the purpose of this Regulation, receipt of the tax bill shall be presumed to have occurred within one day after the date of mailing for taxpayers who are residents of the county and within three days after the date of mailing for taxpayers who are not residents of the county.

560-11-5-.05 Average Standing Timber Price Schedule

(1) Within 60 days after the end of each calendar year, the Commissioner shall provide the board of tax assessors of each county with a table of the weighted average prices paid for the various timber product classes in each county or region of the State. In preparing this table of standing timber values, the Commissioner, so far as is reasonable and applicable, shall consider reports received by the Department of prices paid, as well as information prepared by and recommendations received from the Georgia Forestry Commission. The Commissioner may also consider commercially available sources of average sales prices. The most recent table of standing timber values furnished by the Commissioner shall be used by the board of tax assessors to determine the fair market value of harvested timber subject to taxation for taxable events other than taxable lump sum sales or taxable unit price sales. Taxpayer appeals of such determinations by the board of tax assessors shall be made and decided in the same manner as other ad valorem tax assessment appeals are made and decided pursuant to O.C.G.A. Section 48-5-311.
(2) In addition to the filing with appropriate county authorities of reports of standing timber harvests and sales, purchasers shall, within 45 days after the end of the quarter, file with the Commissioner composite quarterly reports, using form PT-283TQ, of all purchases by county of standing timber by lump sum sales and unit price sales reflecting total volumes and total prices paid for the various timber product classes purchased during the preceding calendar quarter. Such quarterly reports shall not be subject to the penalty provisions of O.C.G.A. Section 48-5-7.5. Such quarterly reports shall be subject to the confidentiality provisions of O.C.G.A. Section 48-2-15.

560-11-5-.06 County Digest Timber Supplement

Where the total property tax digest for any county for tax years 1992 through 1995 is so affected by the new method of ad valorem taxation of standing timber that a supplement to the digest is authorized by O.C.G.A. Section 48-5-7.5, the supplemental assessment shall be assessed and taxes shall be levied against the land underlying the standing timber so removed from the digest. The supplemental assessment shall be assessed

against each such property in a pro rata manner based upon the value of standing timber on each such property that was removed from the digest.

Table of Owner Harvest Timber Values (2017)

The tables of Owner Harvest Timber Values as defined in Code section 48-5-7.5 are created by the Revenue Commissioner after consultation with the Georgia Forestry Commission. The tables containing weighted average price paid for the various timber categories are to be prepared within 60 days of the end of each calendar year.

The tables of Owner Harvest Timber Values can be printed and/or downloaded from the following site:

https://dor.georgia.gov/sites/dor.georgia.gov/files/related_files/document/LGS/Property%20Tax%20Digest/Table_of_Owner_Harvest_Timber_Values_2017.pdf

The tables are available on the Department of Revenue's website from current year through 48 months prior current years and contain timber values for all counties. When working with the APM Regulations presented above, the appraiser should take caution and use the timber values from the proper year.

For the purpose of this class, we will use the timber prices for Burke County contained in the excerpt from the Table of Owner Harvest Timber Value below.

BURKE	2017	
Product Type	**Softwood $/Ton**	**Hardwood $/Ton**
Pulpwood	13.32	8.71
Chip-N-Saw	19.68	**********
SawTimber	27.07	31.26
Poles	49.85	**********
Posts	19.29	**********
Fuelchips	4.45	**********
Firewood	**********	6.07

County	Softwood Pulpwood	Softwood chip-n-saw	Softwood Sawtimber	Softwood Poles	Softwood Posts	Softwood Fuelchips	Hardwood Pulpwood	Hardwood Sawtimber	Hardwood Firewood
Burke	13.32	19.68	27.07	49.85	19.29	4.45	8.71	31.26	6.07

Appraisal Procedures Manual – Rural Land

The regulations above are referred to generally as the Appraisal Procedures Manual (APM). These regulations govern the appraisal process for real and personal property and should be considered as binding as any State statute. The discussion in Course IV-B with regard to the APM will concentrate on the aspects of the regulation that are dedicated to the appraisal of rural land.

Following are some of the important Rural Land appraisal/property definitions contained with the regulation:

560-11-10-.02 Definitions.

- (a) Absorption rate
  "Absorption rate" means the rate at which the real estate market can absorb real property of a given type.

- **(**aa) Rural land.
  "Rural land" means any land that normally lies outside corporate limits, planned subdivisions, commercial sites, and industrial sites.
- (l) Large acreage tract.
  "Large acreage tract" means a rural land tract that is greater in acreage than the small acreage break point.
- (dd) Small acreage tract.
  "Small acreage tract" means a rural land tract that is equal to or smaller in acres than the small acreage break point.

The APM directly addresses issues surrounding the analysis, stratification and valuation procedures for various categories of rural land. Following are the code sections addressing these areas:

560-11-10-.09(2)(d)1 Description of property information

- (ii) - Sales information
  - Appraisal staff shall maintain a record of all real property sales that occur within the county
  - Staff should become familiar with market trends within the immediate geographical area
  - Sales should be gathered from other jurisdictions when insufficient sales exist in the county for a particular property type, especially large tract sales
  - PT61, deeds of transfer, security deeds and probated wills shall all be a relevant source of information regarding sales
  - The following minimum information should be maintained for each sale:
    - Map id
    - Sale date
    - Sale price
    - Buyer's and seller's name
    - Deed book/page number
    - Notes as to whether parcel was vacant or improved at the time of the sale
    - Acres or other land measure
    - Representativeness of sale (qualified or not)
    - Income and expense data reasonably available from public records
    - Appraised value of property from tax year immediately following year of sale
- (iii) - Property characteristics
  - A record of real property characteristics shall be maintained
  - Characteristics shall include, but not be limited to, adequate data to classify and appraise the property
  - Additional property characteristics may be gathered and maintained if available and necessary
- (iv) – Land and location characteristics

- Land and location characteristics shall be recorded and maintained
- Records shall include but not be limited to
    - Zoning
    - Use
    - Legal or deed restrictions on use
    - Covenants
    - Parcel shape and size
    - Neighborhood
    - Other location influences, such as
        - View
        - Topography
        - Corner influence
        - Proximity to recreational bodies of water
        - Nuisances and similar external influences

560-11-10-.09(3) Land Valuation

(a) – Land analysis & stratification

- Land and improvements shall be appraised separately
- Sum of the land value and improvement value shall not exceed the fair market value of the property
- Land shall be categorized according to use and sales within the market

- 1 – Site analysis
    - Trends and factors affecting the value of the property shall be utilized in the appraisal of such. Such trends and factors may include but not be limited to
        - Existing zoning
        - Existing use
        - Existing covenants and use restrictions in the deed and in law
        - Environmental, economic, governmental and social factors
        - Location, frontage, width, depth, shape, size, topography, landscaping, slope, drainage, hydrology, off-site improvements, soil condition, soil productivity and quality of access
- 2 – Market research and verification
    - An up-to-date file system of qualified sales shall be maintained by the appraisal staff
    - Qualified sales shall be used to appraise subject properties
- 2(b) – Acreage Tract Valuation
    - A small acre break point shall be determined to differentiate between small and large tracts
    - When small acre break point cannot be determined, the appraisal staff shall recommend a reasonable breaking point between 5 and 25 acres, inclusive
    - Separate base land schedules shall be developed for small and large tracts

- Documentation explaining the procedures employed shall be maintained

- (b)1 – Small Acre Tract Valuation Schedule
  - Base price per acre shall be established
  - Adjustment factors for adding value based on property characteristics shall be established
  - Small acre tract schedule shall be established for acre levels up to the small acre break point
- (b)2 – Large Acre Tract Valuation Schedule
  - Benchmark value shall be established
  - Factors and incremental values shall be established for different productivity levels, sizes and locations
  - Benchmark values and adjustments shall be used to develop large acreage schedule which shall be applied to all comparable parcels with acreage above small acre break

- (b)2(i) – Land Productivity Values
  - Large acreage tract sales should be analyzed for the purpose of extracting the value of items that affect value above the base land value
  - Following are typical items the appraiser should look for
    - Improvements
    - Crop allotments
    - Standing timber
    - Any other factors
  - Sales should be stratified into two categories of land, open and wooded
  - Base land values for open land and woodland should be stratified into up to 9 different productivity grades
    - Grade one represents the most productive land type
    - Grades should be based on US Department of Agriculture Natural Resources Conservation Service (NRCS) soil productivity in counties were classifications are available
    - In counties were classifications are not available, the county may
      - Consult with NRCS supervisor for the purpose of obtaining information concerning soil classifications within the county. Information may be related to the existence of preliminary work that is available or any other data concerning soil classifications that would assist the county in the grading process of the land
      - Other means of determining soil classifications in the absences of NRCS data are
        - Aerial and infrared photography
        - Historical soil productivity information
        - Present use of land
  - Sales should be analyzed for each strata (land category) and benchmark values determined for each productivity grade, as possible
  - In the absence of a benchmark value for a grade, the value should be extrapolated from known values determined for other productivity grades
  - If insufficient benchmark values exist, a system of productivity factors may be developed from crops or timber productivity ratings provided by NRCS
- (b)2(ii) – Pond Values
  - Pond values should be extracted from sales
  - Appraiser should establish up to 3 grades of ponds within the schedule
  - Pond grades shall be based on
    - Quality of construction with regard to the dam
    - Amount of tree clearing within the body of the pond
    - Nature of the waterline around the pond
- (b)2(iii) – Location & Size Adjustments

- Sales should be plotted on a county index map for the purpose of detecting market trends based on size and location
- Homogeneous market areas within the county should be defined based on the market trends
- Value adjustments for each homogeneous area should be developed
- Size adjustments within each homogeneous area should be developed where the market indicates a relationship between the number of acres and value per acre of the property
    - Size factors should be calculated to the 4th decimal place
    - Size factors should extend from the small acre break point to the acreage level where sales indicate that size is no longer a consideration
    - A base tract size shall be established and assigned a factor of 1.0000
    - All size adjustments shall be clearly identifiable changes in selling prices per acre
- Valuation schedules shall be applied to parcels that have sold within the last 24 months, unless adequate sales are not available. In cases where adequate sales are not available, the look-back period shall be 48 months.
- Sales ratio study shall be performed on the sales to test for uniformity and conformity as spelled out in Rule 560-11-2-.56
- Should the schedule conform, the schedules shall be applied to all parcels categorized as large tracts

- (b)2(iv) – Adjustments for absorption
    - Used when insufficient large tract sales are available to create a reliable schedule of size factors
    - Size factors shall be developed for tracts where adequate sales exist
    - For tracts that are of a size where there is insufficient sales data, the appraiser may adjust the values of the larger tracts using the following procedure
        - Estimate a rate of absorption for the smaller tracts for which data exists
        - Divide the larger tract into smaller marketable sections
        - Develop a sales schedule with estimated income by year reflecting the absorption rate and the value characteristics of the smaller tracts
        - Discount the income schedule to the present using an appropriate discount rate
        - Sum the resulting values for each year to arrive at an estimated value for the property
- (b)2(v) – Standing Timber Value Extraction
    - Appraiser shall not rely solely on the sales of “cut-over” tracts of land
    - Sales of tracts with standing timber should also be considered when the value of the standing timber can be determined
- (b)2(v)(I) – Determine timber value from buyer and seller

- When available and reliable, the appraiser should use the timber value obtained from the buyer and/or seller of the tract of land
- When buyer/seller information is not available the appraiser may use one of the following methods to determine the value of the standing timber if in his/her judgement the results are consistent with other sales where buyer/seller information is known
    - (b)2(v)(I)I – Calculate value of merchantable timber
        - Timber stands older than 15 years shall be considered as merchantable timber
        - Merchantable timber shall be categorized into the following product classes
            - Softwood and hardwood pulpwood
            - Chip and saw logs
            - Saw timber
            - Poles
            - Posts
            - Fuel wood
        - Volume estimates by product class may be obtained by one of the following methods
            - Reliable information from buyer and/or seller
            - Information obtained from specially trained data collectors who have estimated volumes from a visual on-site inspection or from an aerial survey
        - Value of merchantable timber is determined by multiplying the estimated volumes by product class by prices obtained from the table of weighted average prices paid for harvested timber applicable to the year of the sale and prepared by the Commissioner pursuant to code section 48-5-7.5
    - (b)2(v)(I)II – Calculate value of pre-merchantable planted pine timber
        - For pre-merchantable planted pine timber, the value of the timber may be determined by estimating the value of the timber at the age of merchantability and then prorating the value to the actual age of the pre-merchantable stand
        - To calculate the value of the pre-merchantable pine timber, the appraiser should follow the steps below:
            - (1) Multiply the estimated tons of timber volume yield per acre for each product class (pulpwood and chip-n-saw) at age 15 times the product's local timber price per ton.
                - If no local timber prices can be obtained, the appraiser may use the timber price per ton for the appropriate product class from the Table of Owner

Harvest Timber Values that is prepared by the Commissioner.

- In the absence of yield information, the appraiser may determine yields by
  - ⇒ estimating timber volume yields at an average of 52.2 tons per acre, adjust for stocking density and assume that 90% of the volume is pulpwood and 10% is chip-n-saw or
  - ⇒ using Conservation Use land productivity classifications and the tables of estimated yields contained within this section and adjust for stocking density

- (2) Sum the results of the timber product class calculations into a single result
- (3) Multiply the result in Step 2 by the number of acres of pre-merchantable pine timberland
- (4) Deduct from the result in Step 3 the normal cost to establish a timber stand on cut-over woodland. The calculated value shall be known as the **base value**.
  - Normal cost for establishing timber stands may be obtained from planters, local site preparation and planning contractors and other reliable sources
- (5) Divide the result in Step 4 by the age of merchantability, 15 years in the absence of reliable local information, to determine the average annual timber growth value
- (6) Multiple the result in Step 5 by the actual age of the standing timber to arrive at the value of the accumulated timber growth
- (7) Add the **base value** from step 4 to the result in Step 6 to produce the total value of the pre-merchantable pine timber

- (b)2(v)(I)II – Calculate value of other pre-merchantable timber
  - Value may be determined by the best information available
  - In the absence of reliable local information, the appraiser may estimate the value by
    - Assigning no value to stands less than 5 years of age
    - Natural pre-merchantable timber stands 5 years and older should have their value estimated in the same manner as pre-merchantable planted pine timber with the exception of no adjustment for the cost of establishing a timber stand
      - Natural pine stands should be estimated at 50% of the volume determined for planted pine stands

- Hardwood stands should be estimated at 40% of the value determined for a planted pine stand

48-5-7.1. Tangible real property devoted to agricultural purposes

Definition; persons entitled to preferential tax assessment; covenant to maintain agricultural purposes; penalty for breach of covenant.

(a) For purposes of this article, "tangible real property which is devoted to 'bona fide agricultural purposes' ":

(1) Is tangible real property, the primary use of which is good faith commercial production from or on the land of agricultural products, including horticultural, floricultural, forestry, dairy, livestock, poultry, and apiarian products and all other forms of farm products; but

(2) Includes only the value which is $100,000.00 or less of the fair market value of tangible real property which is devoted to the storage or processing of agricultural products from or on the property; and

(3) Excludes the entire value of any residence located on the property.

(b) No property shall qualify for the preferential ad valorem property tax assessment provided for in subsection (b) of Code Section 48-5-7 unless:

(1) It is owned by one or more natural or naturalized citizens; or

(2) It is owned by a family-farm corporation, the controlling interest of which is owned by individuals related to each other within the fourth degree by civil reckoning, and such corporation derived 80 percent or more of its gross income for the year immediately preceding the year in which application for preferential assessment is made from bona fide agricultural pursuits carried out on tangible real property located in this state, which property is devoted to bona fide agricultural purposes.

(c) No property shall qualify for said preferential assessment if such assessment would result in any person who has a beneficial interest in such property, including any interest in the nature of stock ownership, receiving in any tax year any benefit of preferential assessment as to more than 2,000 acres. If any taxpayer has any beneficial interest in more than 2,000 acres of tangible real property, which is devoted to bona fide agricultural purposes, such taxpayer shall apply for preferential assessment only as to 2,000 acres of such land.

(d) No property shall qualify for preferential assessment unless and until the owner of such property agrees by covenant with the appropriate taxing authority to maintain the eligible property in bona fide agricultural purposes for a period of at least ten years beginning on the first day of January of the year in which such property qualifies for preferential assessment and ending

on the last day of December of the tenth year of the covenant period. After the expiration of any ten-year covenant period, the property shall not qualify for further preferential assessment until and unless the owner of the property enters into a renewal covenant for an additional period of ten years.

(e) No property shall maintain its eligibility for preferential assessment unless a valid covenant remains in effect and unless the property is continuously devoted to bona fide agricultural purposes during the entire period of the covenant.

(f) If any change in ownership of such qualified property occurs during the covenant period, all qualification requirements must be met again before the property shall be eligible to be continued for preferential assessment. If ownership of the property is acquired during a covenant period by a person qualified to enter into an original covenant, by a newly formed corporation the stock in which is owned by the original covenanter or others related to the original covenanter within the fourth degree by civil reckoning, or by the personal representative of an owner who was a party to the covenant, then the original covenant may be continued by such acquiring party for the remainder of the term, in which event no breach of the covenant shall be deemed to have occurred.

(g) A penalty shall be imposed under this subsection if during the period of the covenant entered into by a taxpayer the covenant is breached. The penalty shall be computed by multiplying the amount by which the preferential assessment has reduced taxes otherwise due for the year in which the breach occurs times:

(1) A factor of five if the breach occurs in the first or second year of the covenant period;

(2) A factor of four if the breach occurs during the third or fourth year of the covenant period;

(3) A factor of three if the breach occurs during the fifth or sixth year of the covenant period; or

(4) A factor of two if the breach occurs in the seventh, eighth, ninth, or tenth year of the covenant period.

(h) A penalty imposed under subsection (g) of this Code section shall bear interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(i) Penalties and interest imposed under this Code section shall constitute a lien against the property and shall be collected as other unpaid ad valorem taxes are collected. Such penalties and interest shall be distributed pro rata to each taxing jurisdiction wherein the preferential assessment has been granted based upon the total amount by which such preferential assessment has reduced taxes for each such taxing jurisdiction on the property in question as provided in this Code section.

(j) The penalty imposed by subsection (g) of this Code section shall not apply in any case where a covenant is breached solely as a result of:

(1) The acquisition of part or all of the property under the power of eminent domain;

(2) The sale of part or all of the property to a public or private entity which would have had the authority to acquire the property under the power of eminent domain; or

(3) The death of an owner who was a party to the covenant.

(k) All applications for preferential assessment, including the covenant agreement required under this Code section, shall be filed on or before the last day for filing ad valorem tax returns in the county for the tax year for which such preferential assessment shall be first applicable. An application for continuation of preferential assessment upon a change in ownership of the qualified property shall be filed on or before the last date for filing tax returns in the year following the year in which the change in ownership occurred. Applications for preferential assessment shall be filed with the county board of tax assessors who shall approve or deny the application. If the application is approved on or after July 1, 1998, the county board of tax assessors shall file a copy of the approved application in the office of the clerk of the superior court in the county in which the eligible property is located. The clerk of the superior court shall file and index such application in the real property records maintained in the clerk's office. Applications approved prior to July 1, 1998, shall be filed and indexed in like manner without payment of any fee. If the application is not so recorded in the real property records, a transferee of the property affected shall not be bound by the covenant or subject to any penalty for its breach. The fee of the clerk of the superior court for recording such applications approved on or after July 1, 1998, shall be paid by the owner of the eligible property with the application for preferential treatment and shall be paid to the clerk by the board of tax assessors when the application is filed with the clerk. If the application is denied, the board of tax assessors shall notify the applicant in the same manner that notices of assessment are given pursuant to Code Section 48-5-306 and shall return any filing fees advanced by the owner. Appeals from the denial of an application by the board of tax assessors shall be made in the same manner that other property tax appeals are made pursuant to Code Section 48-5-311. As to property approved for preferential assessment prior to July 1, 1998, the county board of tax assessors shall file copies of all approved applications in the office of the clerk of the superior court not later than August 14, 1998, and the clerk shall file, index, and record such approved applications, as provided for in this subsection, with the fee of the clerk of the superior court for filing, indexing, and recording to be paid out of the general funds of the county.

(l) The commissioner shall by regulation provide uniform application and covenant forms to be used in making application for preferential assessment. Such application shall include an oath or affirmation by the taxpayer that he has not at any time received, or made a pending application for, preferential assessment in the same or another county with respect to any property which taken together with property for which application is then being made exceeds 2,000 acres.

(m) The commissioner shall annually submit a report to the Governor and members of the General Assembly, which shall show the fiscal impact of the preferential assessment provided for in this Code section. The report shall include the amount of assessed value eliminated from each

county's digest as a result of the preferential assessment; approximate tax dollar losses, by county, to all local governments affected by such preferential assessment; and any recommendations regarding state and local administration of this Code section, with emphasis upon enforcement problems, if any, attendant with this Code section. The report shall also include any other data or facts, which the commissioner deems relevant.

(n)(1) The transfer prior to July 1, 1988, of a part of the property subject to a covenant shall not constitute a breach of a covenant entered into before or after July 1, 1984, if:

(A) The part of the property so transferred is used for single-family residential purposes and the residence is occupied by a person who is related within the fourth degree of civil reckoning to an owner of the property subject to the covenant; and

(B) The part of the property so transferred, taken together with any other part of the property so transferred during the covenant period, does not exceed a total of three acres.

(2) The transfer on or after July 1, 1988, of a part of the property subject to a covenant shall not constitute a breach of a covenant entered into before or after July 1, 1988, if:

(A) The part of the property so transferred is transferred to a person who is related within the fourth degree of civil reckoning to an owner of the property subject to the covenant; and

(B) The part of the property so transferred, taken together with any other part of the property transferred to the same relative during the covenant period, does not exceed a total of five acres.

(o) The following shall not constitute a breach of a covenant entered into before or after July 1, 1984:

(1) Mineral exploration of the property subject to the covenant or the leasing of the property subject to the covenant for purposes of mineral exploration if the primary use of the property continues to be the good faith commercial production from or on the land of agricultural products; or

(2) Allowing all or part of the property subject to the covenant to lie fallow or idle for purposes of any land conservation program, for purposes of any federal agricultural assistance program, or for other agricultural management purposes.

(p) Property which is subject to preferential assessment shall be separately classified from all other property on the tax digest; and such separate classification shall be such as will enable any person examining the tax digest to readily ascertain that the property is subject to preferential assessment. Covenants shall be public records and shall be indexed and maintained in such manner as will allow members of the public to readily locate the covenant affecting any particular property subject to preferential assessment.

(q)(1) In any case in which a covenant is breached solely as a result of the foreclosure of a deed to secure debt, or the property is conveyed to the lien holder without compensation and in lieu of foreclosure, the penalty specified by paragraph (2) of this subsection shall apply and the penalty specified by subsection (g) of this Code section shall not apply if:

(A) The deed to secure debt was executed as a part of a bona fide commercial loan transaction in which the grantor of the deed to secure debt received consideration equal in value to the principal amount of the debt secured by the deed to secure debt;

(B) The loan was made by a person or financial institution who or which is regularly engaged in the business of making loans; and

(C) The deed to secure debt was intended by the parties as security for the loan and was not intended for the purpose of carrying out a transfer, which would otherwise be subject to the penalty specified by subsection (g) of this Code section.

(2) When a breach occurs solely as a result of a foreclosure which meets the qualifications of paragraph (1) of this subsection, the penalty imposed shall be the amount by which preferential assessment has reduced taxes otherwise due for the year in which the covenant is breached.

(3) A penalty imposed under this subsection shall bear interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(r)(1) In any case in which a covenant is breached solely as a result of a medically demonstrable illness or disability which renders the owner of the real property physically unable to continue the property in agricultural use, the penalty specified by paragraph (2) of this subsection shall apply and the penalty specified by subsection (g) of this Code Section shall not apply. The penalty specified by paragraph (2) of this subsection shall likewise be substituted for the penalty specified by subsection (g) of this Code section in any case in which a covenant is breached solely as a result of a medically demonstrable illness or disability which renders the operator of the real property physically unable to continue the property in agricultural use, provided that the alternative penalty shall apply in this case only if the operator of the real property is a member of the family owning a family-farm corporation which owns the real property.

(2) When a breach occurs which meets the qualifications of paragraph (1) of this subsection, the penalty imposed shall be the amount by which preferential assessment has reduced taxes otherwise due for the year during which the covenant is breached.

(3) A penalty imposed under this subsection shall bear interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(4) Prior to the imposition of the alternative penalty authorized by this subsection in lieu of the penalty specified by subsection (g) of this Code section, the board of tax assessors shall require satisfactory evidence which clearly demonstrates that the breach is the result of a medically

demonstrable illness or disability which meets the qualifications of paragraph (1) of this subsection.

(r.1) In any case in which a covenant is breached solely as a result of an owner electing to discontinue the property in its qualifying use, provided such owner has renewed without an intervening lapse at least once the covenant under this Code section, has reached the age of 65 or older, and has kept the property in a qualifying use under the renewal covenant for at least three years the penalty specified by subsection (g) of this Code section shall not apply and the penalty imposed shall be the amount by which preferential assessment has reduced taxes otherwise due for the year in which the covenant is breached. Such penalty shall bear interest at the rate specified in Code Section 48-2-40 from the date of the breach. Such election shall be in writing and shall not become effective until filed with the county board of tax assessors.

(s) Property which is subject to preferential assessment and which is subject to a covenant under this Code section may be changed from such covenant and placed in a covenant for bona fide conservation use under Code Section 48-5-7.4 if such property meets all of the requirements and conditions specified in Code Section 48-5-7.4. Any such change shall terminate the covenant under this Code section, shall not constitute a breach of the covenant under this Code section, and shall require the establishment of a new covenant period under Code Section 48-5-7.4. No property may be changed under this subsection more than once.

(t) At such time as the property ceases to be eligible for preferential assessment or when any ten-year covenant period expires and the property does not qualify for further preferential assessment, the owner of the property shall file an application for release of preferential treatment with the county board of tax assessors who shall approve the release upon verification that all taxes and penalties with respect to the property have been satisfied. After the application for release has been approved by the board of tax assessors, the board shall file the release in the office of the clerk of the superior court in the county in which the original covenant was filed. The clerk of the superior court shall file and index such release in the real property records maintained in the clerk's office. No fee shall be paid to the clerk of the superior court for recording such release. The commissioner shall by regulation provide uniform release forms. (Code 1981, § 48-5-7.1, enacted by Ga. L. 1983, p. 1850, § 3; Ga. L. 1984, p. 22, § 48; Ga. L. 1984, p. 686, § 1; Ga. L. 1985, p. 149, § 48; Ga. L. 1986, p. 820, § 1; Ga. L. 1987, p. 286, §§ 1-3; Ga. L. 1988, p. 895, § 1; Ga. L. 1990, p. 292, § 1; Ga. L. 1991, p. 668, § 1; Ga. L. 1991, p. 1903, § 5; Ga. L. 1998, p. 553, §§ 1, 2; Ga. L. 1999, p. 589, § 1; Ga. L. 2002, p. 1031, § 1.)**The 1998 amendment,** effective July 1, 1998, in subsection (k), added the fourth through eighth sentences, added "and shall return any filing fees advanced by the owner" at the end of the ninth sentence, and added the last sentence; and added subsection (t).

The 1999 amendment, effective April 28, 1999, in the next to the last sentence of subsection (t), substituted "No fee shall be paid to" for "The fee of" and deleted "shall be paid by the owner of the property with the application for release from preferential treatment, and such fee shall be

paid to the clerk by the board of tax assessors when the release is filed with the clerk" from the end.

The 2002 amendment, effective May 14, 2002, added subsection (r.1). See Editor's note for applicability.

Code Commission notes. - Pursuant to Code Section 28-9-5, in 1985, "covenant" was changed to "covenant" in the introductory language of subsection (n) and in paragraph (2) of subsection (o).

Editor's notes. - Section 1 of Ga. L. 1983, p. 1850, effective April 8, 1983, not codified by the General Assembly, provided that "It is the intent of this Act to implement certain changes imposed by Article VII, Section I, Paragraph III, subparagraph (c) of the Constitution of the State of Georgia."

Section 4 of Ga. L. 1983, p. 1850, effective April 8, 1983, not codified by the General Assembly, provided that that Act (§ 3 of which enacted this Code section) "shall apply to all tax years beginning on or after January 1, 1984."

Section 4 of Ga. L. 1987, p. 286, not codified by the General Assembly, provided that the amendments to subsections (g), (q) and (r) by that Act shall apply to breaches occurring on or after the effective date of the Act [March 26, 1987] and the amendment to subsection (k) shall apply with respect to changes of ownership occurring during calendar year 1986 or at any time thereafter.

Ga. L. 1991, p. 1903, § 15, not codified by the General Assembly, provides that the amendment to this Code section by that act shall be applicable beginning January 1, 1992, with respect to ad valorem taxation of timber and shall be applicable beginning January 1, 1992, for all other purposes. Taxation for prior periods shall continue to be governed by prior law.

Ga. L. 2002, p. 1031, § 9, not codified by the General Assembly, provided that the Act shall be applicable to all taxable years beginning on or after January 1, 2002.

JUDICIAL DECISIONS

Construction with other law. - Assessments lacked uniformity in failing to follow the mandates of § 48-5-2 regarding consideration of "existing use of the property" and "other factors deemed pertinent in arriving at fair market value" and in failing to exempt standing timber under the mandate of paragraph (a)(1) of this section and § 48-5-7.5 as set forth in Ga. Const. Art. VII, Sec. 1, Par. (3)(e)(2). Leverett v. Jasper County Bd. of Tax Assessors, 233 Ga. App. 470, 504 S.E.2d 559 (1998).

OPINIONS OF THE ATTORNEY GENERAL

Transfer of portion of property. - Subsection (f) of this section does not require that all property subject to a covenant be transferred before the covenant can be continued pursuant to that provision. 1987 Op. Att'y Gen. No. U87-14.

Subsections (f) and (n) may be implemented concurrently, which would allow the transfer of up to three acres of land to a relative for the purpose of building a residence, while also allowing the covenant to be continued by the same relative with respect to the remaining acreage transferred which is to be continued in agricultural usage as required by the statute. 1987 Op. Att'y Gen. No. U87-10.

560-11-3-.19 Farm Property Preferential Assessment/ Application/ Covenant Form.

(1) In order for tangible real property to qualify for the preferential assessment provided for in O.C.G.A. Sections 48-5-7 and 48-5-7.1, its primary use must be the good faith commercial production of agricultural products. Such land must be devoted to bona fide agricultural purposes, which as a general rule, contemplates both the usage of multiple acre tracts and an overall pursuit of profit. The mere ownership of multiple acres whose primary use is not the good faith commercial production of agricultural products but is only used in the limited, occasional or sporadic production of agricultural products would not qualify for the preferential assessment.

(2) For purposes of this regulation, the following terms are defined to mean:

(a) "bona fide agricultural purposes" means the production, as a part of an overall business pursuit engaged in for profit of one or more types of agricultural products including horticultural products, floricultural products, forestry products, dairy products, livestock products, poultry products, apiarian products, and any other form of farm product.

(b) "Good faith commercial production" means an overall business pursuit factually and genuinely engaged in for the primary purpose of producing agricultural products for a profit.

(c) "Primary use" means that use which is the principal, chief and leading use or activity to which the property is devoted.

(d) "Storage or processing of agricultural products" means to put or set aside agricultural products for safekeeping or for use when needed or the act or series of acts performed upon agricultural products to transform such products into a different state of condition.

(3) O.C.G.A. Section 48-5-7.1 requires the State Revenue Commissioner to annually submit a report to the Governor and General Assembly, which, among other things, shows the fiscal impact of preferential assessment and the assessed value eliminated from each county's digest as a result of such assessment. To aid in the collection of such date for statistical accounting purposes, tangible real property that receives the preferential assessment shall utilize an identification code of A-3 and improvements that are devoted to the storage or processing of agricultural products from or on such property shall utilize an identification code of A-1.

(4) All applications for the preferential assessment of tangible real property devoted to bona fide agricultural purposes as set forth in O.C.G.A. Section 48-5-7 and O.C.G.A. Section 48-5-7.1 as well

as the covenant described therein shall be made upon the form adopted by the State Revenue Commissioner for that purpose. Form PT-230 set forth below has been adopted by the Commissioner for said purpose.

Authority O.C.G.A. Sections 48-5-7, 48-5-7.1. **Administrative History.** Original Rule entitled "Farm Property Preferential Assessment/ Application/ Covenant Form" was filed on October 28, 1983; effective November 17, 1983.

48-5-7.4. Bona fide conservation use property; residential transitional property; application procedures; penalties for breach of covenant; classification on tax digest; annual report.

(a) For purposes of this article, the term "bona fide conservation use property" means property described in and meeting the requirements of paragraph (1) or (2) of this subsection, as follows

(1) Not more than 2,000 acres of tangible real property of a single person, the primary purpose of which is any good faith production, including but not limited to subsistence farming or commercial production, from or on the land of agricultural products or timber, subject to the following qualifications:

(A) Such property includes the value of tangible property permanently affixed to the real property which is directly connected to such owner's production of agricultural products or timber and which is devoted to the storage and processing of such agricultural products or timber from or on such real property;

(A.1) In the application of the limitation contained in the introductory language of this paragraph, the following rules shall apply to determine beneficial interests in bona fide conservation use property held in a family owned farm entity as described in division (1)(C)(iv) of this subsection:

(i) A person who owns an interest in a family owned farm entity as described in division (1)(C)(iv) of this subsection shall be considered to own only the percent of the bona fide conservation use property held by such family owned farm entity that is equal to the percent interest owned by such person in such family owned farm entity; and

(ii) A person who owns an interest in a family owned farm entity as described in division (1)(C)(iv) of this subsection may elect to allocate the lesser of any unused portion of such person's 2,000 acre limitation or the product of such person's percent interest in the family owned farm entity times the total number of acres owned by the family owned farm entity subject to such bona fide conservation use assessment, with the result that the family owned farm entity may receive bona fide conservation use assessment on more than 2,000 acres;

(B) Such property excludes the entire value of any residence and its underlying property; as used in this subparagraph, the term "underlying property" means the minimum lot size required for

residential construction by local zoning ordinances or two acres, whichever is less. This provision for excluding the underlying property of a residence from eligibility in the conservation use covenant shall only apply to property that is first made subject to a covenant or is subject to the renewal of a previous covenant on or after May 1, 2012;

(C) Except as otherwise provided in division (vii) of this subparagraph, such property must be owned by:

(i) One or more natural or naturalized citizens;

(ii) An estate of which the devisees or heirs are one or more natural or naturalized citizens;

(iii) A trust of which the beneficiaries are one or more natural or naturalized citizens;

(iv) A family owned farm entity, such as a family corporation, a family partnership, a family general partnership, a family limited partnership, a family limited corporation, or a family limited liability company, all of the interest of which is owned by one or more natural or naturalized citizens related to each other by blood or marriage within the fourth degree of civil reckoning, except that, solely with respect to a family limited partnership, a corporation, limited partnership, limited corporation, or limited liability company may serve as a general partner of the family limited partnership and hold no more than a 5 percent interest in such family limited partnership, an estate of which the devisees or heirs are one or more natural or naturalized citizens, or a trust of which the beneficiaries are one or more natural or naturalized citizens, or an entity created by the merger or consolidation of two or more entities which independently qualify as a family owned farm entity, and which family owned farm entity derived 80 percent or more of its gross income from bona fide conservation uses, including earnings on investments directly related to past or future bona fide conservation uses, within this state within the year immediately preceding the year in which eligibility is sought; provided, however, that in the case of a newly formed family farm entity, an estimate of the income of such entity may be used to determine its eligibility;

(v) A bona fide nonprofit conservation organization designated under Section 501(c)(3) of the Internal Revenue Code;

(vi) A bona fide club organized for pleasure, recreation, and other non-profitable purposes pursuant to Section 501(c)(7) of the Internal Revenue Code; or

(vii) In the case of constructed storm-water wetlands, any person may own such property;

(D) Factors which may be considered in determining if such property is qualified may include, but not be limited to:

(i) The nature of the terrain;

(ii) The density of the marketable product on the land;

(iii) The past usage of the land;

(iv) The economic merchantability of the agricultural product; and

(v) The utilization or non-utilization of recognized care, cultivation, harvesting, and like practices applicable to the product involved and any implemented plans thereof;

(E) Such property shall, if otherwise qualified, include, but not be limited to, property used for:

(i) Raising, harvesting, or storing crops;

(ii) Feeding, breeding, or managing livestock or poultry;

(iii) Producing plants, trees, fowl, or animals, including without limitation the production of fish or wildlife by maintaining not less than ten acres of wildlife habitat either in its natural state or under management, which shall be deemed a type of agriculture; provided, however, that no form of commercial fishing or fish production shall be considered a type of agriculture; or

(iv) Production of aquaculture, horticulture, floriculture, forestry, dairy, livestock, poultry, and apiarian products; and

(F) The primary purpose described in this paragraph includes land conservation and ecological forest management in which commercial production of wood and wood fiber products may be undertaken primarily for conservation and restoration purposes rather than financial gain; or

(2) Not more than 2,000 acres of tangible real property, excluding the value of any improvements thereon, of a single owner of the types of environmentally sensitive property specified in this paragraph and certified as such by the Department of Natural Resources, if the primary use of such property is its maintenance in its natural condition or controlling or abating pollution of surface or ground waters of this state by storm-water runoff or otherwise enhancing the water quality of surface or ground waters of this state and if such owner meets the qualifications of subparagraph (C) of paragraph (1) of this subsection:

(A) Environmentally sensitive areas, including any otherwise qualified land area 1,000 feet or more above the lowest elevation of the county in which such area is located that has a percentage slope, which is the difference in elevation between two points 500 feet apart on the earth divided by the

horizontal distance between those two points, of 25 percent or greater and shall include the crests, summits, and ridge tops which lie at elevations higher than any such area;

(B) Wetland areas that are determined by the United States Army Corps of Engineers to be wetlands under their jurisdiction pursuant to Section 404 of the federal Clean Water Act, as amended, or wetland areas that are depicted or delineated on maps compiled by the Department of Natural Resources or the United States Fish and Wildlife Service pursuant to its National Wetlands Inventory Program;

(C) Significant ground-water recharge areas as identified on maps or data compiled by the Department of Natural Resources;

(D) Undeveloped barrier islands or portions thereof as provided for in the federal Coastal Barrier Resources Act, as amended;

(E) Habitats as certified by the Department of Natural Resources as containing species that have been listed as either endangered or threatened under the federal Endangered Species Act of 1973, as amended;

(F) River or stream corridors or buffers which shall be defined as those undeveloped lands which are:

(i) Adjacent to rivers and perennial streams that are within the 100 year flood plain as depicted on official maps prepared by the Federal Emergency Management Agency; or

(ii) Within buffer zones adjacent to rivers or perennial streams, which buffer zones are established by law or local ordinance and within which land-disturbing activity is prohibited; or

(G) (i) Constructed storm-water wetlands of the free-water surface type certified by the Department of Natural Resources under subsection (k) of Code Section 12-2-4 and approved for such use by the local governing authority.

(ii) No property shall maintain its eligibility for current use assessment as a bona fide conservation use property as defined in this subparagraph unless the owner of such property files an annual inspection report from a licensed professional engineer certifying that as of the date of such report the property is being maintained in a proper state of repair so as to accomplish the objectives for which it was designed. Such inspection report and certification shall be filed with the county board of tax assessors on or before the last day for filing ad valorem tax returns in the county for each tax year for which such assessment is sought.

(a.1) Notwithstanding any other provision of this Code section to the contrary, in the case of

property which otherwise meets the requirements for current use assessment and the qualifying use is pursuant to division (1)(E)(iii) of subsection (a) of this Code section, when the owner seeks to renew the covenant or reenter a covenant subsequent to the termination of a previous covenant which met such requirements and the owner meets the qualifications under this Code section but the property is no longer being used for the qualified use for which the previous covenant was entered pursuant to division (1)(E)(iii) of subsection (a) of this Code section, the property is not environmentally sensitive property within the meaning of paragraph (2) of subsection (a) of this Code section, and the primary use of the property is maintenance of a wildlife habitat of not less than ten acres either by maintaining the property in its natural condition or under management, the county board of tax assessors shall be required to accept such use as a qualifying use for purposes of this Code section.

(b) Except in the case of the underlying portion of a tract of real property on which is actually located a constructed storm-water wetlands, the following additional rules shall apply to the qualification of conservation use property for current use assessment:

(1) When one-half or more of the area of a single tract of real property is used for a qualifying purpose, then such tract shall be considered as used for such qualifying purpose unless some other type of business is being operated on the unused portion; provided, however, that such unused portion must be minimally managed so that it does not contribute significantly to erosion or other environmental or conservation problems. The lease of hunting rights or the use of the property for hunting purposes shall not constitute another type of business. The charging of admission for use of the property for fishing purposes shall not constitute another type of business;

(2) The owner of a tract, lot, or parcel of land totaling less than ten acres shall be required by the tax assessor to submit additional relevant records regarding proof of bona fide conservation use for qualified property that on or after May 1, 2012, is either first made subject to a covenant or is subject to a renewal of a previous covenant. If the owner of the subject property provides proof that such owner has filed with the Internal Revenue Service a Schedule E, reporting farm related income or loss, or a Schedule F, with Form 1040, or, if applicable, a Form 4835, pertaining to such property, the provisions of this paragraph, requiring additional relevant records regarding proof of bona fide conservation use, shall not apply to such property. Prior to a denial of eligibility under this paragraph, the tax assessor shall conduct and provide proof of a visual on-site inspection of the property. Reasonable notice shall be provided to the property owner before being allowed a visual, on-site inspection of the property by the tax assessor;

(3) No property shall qualify as bona fide conservation use property if such current use assessment would result in any person who has a beneficial interest in such property, including any interest in the nature of stock ownership, receiving in any tax year any benefit of current use assessment as to more than 2,000 acres. If any taxpayer has any beneficial interest in more than 2,000 acres of tangible real property which is devoted to bona fide conservation uses, such taxpayer shall apply

for current use assessment only as to 2,000 acres of such land;

(4) No property shall qualify as bona fide conservation use property if it is leased to a person or entity which would not be entitled to conservation use assessment;

(5) No property shall qualify as bona fide conservation use property if such property is at the time of application for current use assessment subject to a restrictive covenant which prohibits the use of the property for the specific purpose described in subparagraph (a)(1)(E) of this Code section for which bona fide conservation use qualification is sought; and

(6) No otherwise qualified property shall be denied current use assessment on the grounds that no soil map is available for the county in which such property is located; provided, however, that if no soil map is available for the county in which such property is located, the owner making an application for current use assessment shall provide the board of tax assessors with a certified soil survey of the subject property unless another method for determining the soil type of the subject property is authorized in writing by such board.

(c) For purposes of this article, the term "bona fide residential transitional property" means not more than five acres of tangible real property of a single owner which is private single-family residential owner occupied property located in a transitional developing area. Such classification shall apply to all otherwise qualified real property which is located in an area which is undergoing a change in use from single-family residential use to agricultural, commercial, industrial, office-institutional, multifamily, or utility use or a combination of such uses. Change in use may be evidenced by recent zoning changes, purchase by a developer, affidavits of intent, or close proximity to property which has undergone a change from single-family residential use. To qualify as residential transitional property, the valuation must reflect a change in value attributable to such property's proximity to or location in a transitional area.

(d) No property shall qualify for current use assessment under this Code section unless and until the owner of such property agrees by covenant with the appropriate taxing authority to maintain the eligible property in bona fide qualifying use for a period of ten years beginning on the first day of January of the year in which such property qualifies for such current use assessment and ending on the last day of December of the final year of the covenant period. After the owner has applied for and has been allowed current use assessment provided for in this Code section, it shall not be necessary to make application thereafter for any year in which the covenant period is in effect and current use assessment shall continue to be allowed such owner as specified in this Code section. At least 60 days prior to the expiration date of the covenant, the county board of tax assessors shall send by first-class mail written notification of such impending expiration. Upon the expiration of any covenant period, the property shall not qualify for further current use assessment under this Code section unless and until the owner of the property has entered into a renewal covenant for an additional period of ten years; provided, however, that the owner may enter into a renewal

contract in the ninth year of a covenant period so that the contract is continued without a lapse for an additional ten years.

(e) A single owner shall be authorized to enter into more than one covenant under this Code section for bona fide conservation use property, provided that the aggregate number of acres of qualified property of such owner to be entered into such covenants does not exceed 2,000 acres. Any such qualified property may include a tract or tracts of land which are located in more than one county. A single owner shall be authorized to enter qualified property in a covenant for bona fide conservation use purposes and to enter simultaneously the residence located on such property in a covenant for bona fide residential transitional use if the qualifications for each such covenant are met. A single owner shall be authorized to enter qualified property in a covenant for bona fide conservation use purposes and to enter other qualified property of such owner in a covenant for bona fide residential transitional use.

(f) An owner shall not be authorized to make application for and receive current use assessment under this Code section for any property which at the time of such application is receiving preferential assessment under Code Section 48-5-7.1 except that such owner shall be authorized to change such preferential assessment covenant in the manner provided for in subsection (s) of Code Section 48-5-7.1.

(g) Except as otherwise provided in this subsection, no property shall maintain its eligibility for current use assessment under this Code section unless a valid covenant remains in effect and unless the property is continuously devoted to an applicable bona fide qualifying use during the entire period of the covenant. An owner shall be authorized to change the type of bona fide qualifying conservation use of the property to another bona fide qualifying conservation use and the penalty imposed by subsection (l) of this Code section shall not apply, but such owner shall give notice of any such change in use to the board of tax assessors.

(h) If any breach of a covenant occurs, the existing covenant shall be terminated and all qualification requirements must be met again before the property shall be eligible for current use assessment under this Code section.

(i) (1) If ownership of all or a part of the property is acquired during a covenant period by a person or entity qualified to enter into an original covenant, then the original covenant may be continued by such acquiring party for the remainder of the term, in which event no breach of the covenant shall be deemed to have occurred.

(2) (A) As used in this paragraph, the term "contiguous" means real property within a county that abuts, joins, or touches and has the same undivided common ownership. If an applicant's tract is divided by a county boundary, public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track, then the applicant has, at the time of the initial

application, a one-time election to declare the tract as contiguous irrespective of a county boundary, public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track.

(B) If a qualified owner has entered into an original bona fide conservation use covenant and subsequently acquires additional qualified property contiguous to the property in the original covenant, the qualified owner may elect to enter the subsequently acquired qualified property into the original covenant for the remainder of the ten-year period of the original covenant; provided, however, that such subsequently acquired qualified property shall be less than 50 acres.

(j) (1) All applications for current use assessment under this Code section, including the covenant agreement required under this Code section, shall be filed on or before the last day for filing ad valorem tax returns in the county for the tax year for which such current use assessment is sought, except that in the case of property which is the subject of a reassessment by the board of tax assessors an application for current use assessment may be filed in conjunction with or in lieu of an appeal of the reassessment. An application for continuation of such current use assessment upon a change in ownership of all or a part of the qualified property shall be filed on or before the last date for filing tax returns in the year following the year in which the change in ownership occurred. Applications for current use assessment under this Code section shall be filed with the county board of tax assessors who shall approve or deny the application. If the application is approved on or after July 1, 1998, the county board of tax assessors shall file a copy of the approved application in the office of the clerk of the superior court in the county in which the eligible property is located. The clerk of the superior court shall file and index such application in the real property records maintained in the clerk's office. Applications approved prior to July 1, 1998, shall be filed and indexed in like manner without payment of any fee. If the application is not so recorded in the real property records, a transferee of the property affected shall not be bound by the covenant or subject to any penalty for its breach. The fee of the clerk of the superior court for recording such applications approved on or after July 1, 1998, shall be paid by the owner of the eligible property with the application for preferential treatment and shall be paid to the clerk by the board of tax assessors when the application is filed with the clerk. If the application is denied, the board of tax assessors shall notify the applicant in the same manner that notices of assessment are given pursuant to Code Section 48-5-306 and shall return any filing fees advanced by the owner. Appeals from the denial of an application by the board of tax assessors shall be made in the same manner that other property tax appeals are made pursuant to Code Section 48-5-311.

(2) In the event such application is approved, the taxpayer shall continue to receive annual notification of any change in the fair market value of such property and any appeals with respect to such valuation shall be made in the same manner as other property tax appeals are made pursuant to Code Section 48-5-311.

(k) (1) The commissioner shall by regulation provide uniform application and covenant forms to be

used in making application for current use assessment under this Code section. Such application shall include an oath or affirmation by the taxpayer that he or she is in compliance with the provisions of paragraphs (3) and (4) of subsection (b) of this Code section, if applicable.

(2) The applicable local governing authority shall accept applications for approval of property for purposes of subparagraph (a)(2)(G) of this Code section and shall certify property to the local board of tax assessors as meeting or not meeting the criteria of such paragraph. The local governing authority shall not certify any property as meeting the criteria of subparagraph (a)(2)(G) of this Code section unless:

(A) The owner has submitted to the local governing authority:

(i) A plat of the tract in question prepared by a licensed land surveyor, showing the location and measured area of such tract;

(ii) A certification by a licensed professional engineer that the specific design used for the constructed storm-water wetland was recommended by the engineer as suitable for such site after inspection and investigation; and

(iii) Information on the actual cost of constructing and estimated cost of operating the storm-water wetland, including without limitation a description of all incorporated materials, machinery, and equipment; and

(B) An authorized employee or agent of the local governing authority has inspected the site before, during, and after construction of the storm-water wetland to determine compliance with the requirements of subparagraph (a)(2)(G) of this Code section.

(k.1) In the case of an alleged breach of the covenant, the owner shall be notified in writing by the board of tax assessors. The owner shall have a period of 30 days from the date of such notice to cease and desist the activity alleged in the notice to be in breach of the covenant or to remediate or correct the condition or conditions alleged in the notice to be in breach of the covenant. Following a physical inspection of property, the board of tax assessors shall notify the owner that such activity or activities have or have not properly ceased or that the condition or conditions have or have not been remediated or corrected. The owner shall be entitled to appeal the decision of the board of tax assessors and file an appeal disputing the findings of the board of tax assessors. Such appeal shall be conducted in the same manner that other property tax appeals are made pursuant to Code Section 48-5-311.

(l) A penalty shall be imposed under this subsection if during the period of the covenant entered into by a taxpayer the covenant is breached. The penalty shall be applicable to the entire tract which is the subject of the covenant and shall be twice the difference between the total amount of

tax paid pursuant to current use assessment under this Code section and the total amount of taxes which would otherwise have been due under this chapter for each completed or partially completed year of the covenant period. Any such penalty shall bear interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(m) Penalties and interest imposed under this Code section shall constitute a lien against the property and shall be collected in the same manner as unpaid ad valorem taxes are collected. Such penalties and interest shall be distributed pro rata to each taxing jurisdiction wherein current use assessment under this Code section has been granted based upon the total amount by which such current use assessment has reduced taxes for each such taxing jurisdiction on the property in question as provided in this Code section.

(n) The penalty imposed by subsection (l) of this Code section shall not apply in any case where a covenant is breached solely as a result of:

(1) The acquisition of part or all of the property under the power of eminent domain;

(2) The sale of part or all of the property to a public or private entity which would have had the authority to acquire the property under the power of eminent domain; or

(3) The death of an owner who was a party to the covenant.

(o) The transfer of a part of the property subject to a covenant for a bona fide conservation use shall not constitute a breach of a covenant if:

(1) The part of the property so transferred is used for single-family residential purposes, starting within one year of the date of transfer and continuing for the remainder of the covenant period, and the residence is occupied within 24 months from the date of the start by a person who is related within the fourth degree of civil reckoning to an owner of the property subject to the covenant; and

(2) The part of the property so transferred, taken together with any other part of the property so transferred to the same relative during the covenant period, does not exceed a total of five acres;

and in any such case the property so transferred shall not be eligible for a covenant for bona fide conservation use, but shall, if otherwise qualified, be eligible for current use assessment as residential transitional property and the remainder of the property from which such transfer was made shall continue under the existing covenant until a terminating breach occurs or until the end of the specified covenant period.

(p) The following shall not constitute a breach of a covenant:

(1) Mineral exploration of the property subject to the covenant or the leasing of the property subject to the covenant for purposes of mineral exploration if the primary use of the property continues to be the good faith production from or on the land of agricultural products;

(2) Allowing all or part of the property subject to the covenant to lie fallow or idle for purposes of any land conservation program, for purposes of any federal agricultural assistance program, or for other agricultural management purposes;

(3) Allowing all or part of the property subject to the covenant to lie fallow or idle due to economic or financial hardship if the owner notifies the board of tax assessors on or before the last day for filing a tax return in the county where the land lying fallow or idle is located and if such owner does not allow the land to lie fallow or idle for more than two years of any five-year period;

(4) (A) Any property which is subject to a covenant for bona fide conservation use being transferred to a place of religious worship or burial or an institution of purely public charity if such place or institution is qualified to receive the exemption from ad valorem taxation provided for under subsection (a) of Code Section 48-5-41. No person shall be entitled to transfer more than 25 acres of such person's property in the aggregate under this paragraph.

(B) Any property transferred under subparagraph (A) of this paragraph shall not be used by the transferee for any purpose other than for a purpose which would entitle such property to the applicable exemption from ad valorem taxation provided for under subsection (a) of Code Section 48-5-41 or subsequently transferred until the expiration of the term of the covenant period. Any such use or transfer shall constitute a breach of the covenant;

(5) Leasing a portion of the property subject to the covenant, but in no event more than six acres, for the purpose of placing thereon a cellular telephone transmission tower. Any such portion of such property shall cease to be subject to the covenant as of the date of execution of such lease and shall be subject to ad valorem taxation at fair market value;

(6) Allowing all or part of the property subject to the covenant on which a corn crop is grown to be used for the purpose of constructing and operating a maze so long as the remainder of such corn crop is harvested;

(7) (A) Allowing all or part of the property subject to the covenant to be used for agritourism purposes.

(B) As used in this paragraph, the term "agritourism" means charging admission for persons to visit, view, or participate in the operation of a farm or dairy or production of farm or dairy

products for entertainment or educational purposes or selling farm or dairy products to persons who visit such farm or dairy;

(8) Allowing all or part of the property which has been subject to a covenant for at least one year to be used as a site for farm weddings;

(9) Allowing all or part of the property which has been subject to a covenant for at least one year to be used to host not for profit equestrian performance events to which spectator admission is not contingent upon an admission fee but which may charge an entry fee from each participant; or

(10) Allowing all or part of the property subject to the covenant to be used to host a not for profit rodeo event to which spectator admission and participant entry fees are charged in an amount that in aggregate does not exceed the cost of hosting such event;
(11)(A) Allowing part of the property subject to the covenant to be used for solar generation of energy and conversion of such energy into heat or electricity, and the sale of the same in accordance with applicable law.
(B) The provisions of subparagraph (A) of this paragraph shall not allow the portion of the property on which such solar energy generating equipment is located, as depicted by a boundary survey prepared by a licensed surveyor, and which is subject to an existing covenant to remain in the covenant. Such property shall be removed from the existing covenant at the time of the installation of the solar energy generating equipment and shall be subject to the penalty for breach of the covenant contained in subsection (q) of this Code section and shall be subject to ad valorem taxation at fair market value; or
(12)(A) Allowing part of the property subject to the covenant to be used for farm labor housing. As used in this paragraph, the term 'farm labor housing' means all buildings or structures used as living quarters when such housing is provided free of charge to workers who provide labor on agricultural property.
(B) The provisions of subparagraph (A) of this paragraph shall not allow the portion of the property on which such farm labor housing is located and which is subject to an existing covenant to remain in the covenant. Such property shall be removed from the existing covenant at the time construction of the farm labor housing begins and shall be subject to ad valorem taxation at fair market value.

(q) In the following cases, the penalty specified by subsection (l) of this Code section shall not apply and the penalty imposed shall be the amount by which current use assessment has reduced taxes otherwise due for the year in which the covenant is breached, such penalty to bear interest at the rate specified in Code Section 48-2-40 from the date of the breach:

(1) Any case in which a covenant is breached solely as a result of the foreclosure of a deed to secure debt or the property is conveyed to the lienholder without compensation and in lieu of foreclosure, if:

(A) The deed to secure debt was executed as a part of a bona fide commercial loan transaction in which the grantor of the deed to secure debt received consideration equal in value to the principal amount of the debt secured by the deed to secure debt;

(B) The loan was made by a person or financial institution who or which is regularly engaged in the business of making loans; and

(C) The deed to secure debt was intended by the parties as security for the loan and was not intended for the purpose of carrying out a transfer which would otherwise be subject to the penalty specified by subsection (l) of this Code section;

(2) Any case in which a covenant is breached solely as a result of a medically demonstrable illness or disability which renders the owner of the real property physically unable to continue the property in the qualifying use, provided that the board of tax assessors shall require satisfactory evidence which clearly demonstrates that the breach is the result of a medically demonstrable illness or disability;

(3) Any case in which a covenant is breached solely as a result of an owner electing to discontinue the property in its qualifying use, provided such owner has renewed without an intervening lapse at least once the covenant for bona fide conservation use, has reached the age of 65 or older, and has kept the property in a qualifying use under the renewal covenant for at least three years. Such election shall be in writing and shall not become effective until filed with the county board of tax assessors; or

(4) Any case in which a covenant is breached solely as a result of an owner electing to discontinue the property in its qualifying use, provided such owner entered into the covenant for bona fide conservation use for the first time after reaching the age of 67 and has either owned the property for at least 15 years or inherited the property and has kept the property in a qualifying use under the covenant for at least three years. Such election shall be in writing and shall not become effective until filed with the county board of tax assessors.

(r) Property which is subject to current use assessment under this Code section shall be separately classified from all other property on the tax digest; and such separate classification shall be such as will enable any person examining the tax digest to ascertain readily that the property is subject to current use assessment under this Code section. Covenants shall be public records and shall be indexed and maintained in such manner as will allow members of the public to locate readily the covenant affecting any particular property subject to current use assessment under this Code section. Based on information submitted by the county boards of tax assessors, the commissioner shall maintain a central registry of conservation use property, indexed by owners, so as to ensure that the 2,000 acre limitations of this Code section are complied with on a state-wide basis.

(s) The commissioner shall annually submit a report to the Governor, the Department of Agriculture, the Georgia Agricultural Statistical Service, the State Forestry Commission, the Department of Natural Resources, and the University of Georgia Cooperative Extension Service and the House Ways and Means, Natural Resources and Environment, and Agriculture and Consumer Affairs committees and the Senate Finance, Natural Resources and Environment, and Agriculture and Consumer Affairs committees and shall make such report available to other members of the General Assembly, which report shall show the fiscal impact of the assessments provided for in this Code section and Code Section 48-5-7.5. The report shall include the amount of assessed value eliminated from each county's digest as a result of such assessments; approximate tax dollar losses, by county, to all local governments affected by such assessments; and any recommendations regarding state and local administration of this Code section and Code Section 48-5-7.5, with emphasis upon enforcement problems, if any, attendant with this Code section and Code Section 48-5-7.5. The report shall also include any other data or facts which the commissioner deems relevant.

(t) A public notice containing a brief, factual summary of the provisions of this Code section shall be posted in a prominent location readily viewable by the public in the office of the board of tax assessors and in the office of the tax commissioner of each county in this state.

(u) Reserved.

(v) Reserved.

(w) At such time as the property ceases to be eligible for current use assessment or when any ten-year covenant period expires and the property does not qualify for further current use assessment, the owner of the property shall file an application for release of current use treatment with the county board of tax assessors who shall approve the release upon verification that all taxes and penalties with respect to the property have been satisfied. After the application for release has been approved by the board of tax assessors, the board shall file the release in the office of the clerk of the superior court in the county in which the original covenant was filed. The clerk of the superior court shall file and index such release in the real property records maintained in the clerk's office. No fee shall be paid to the clerk of the superior court for recording such release. The commissioner shall by regulation provide uniform release forms.

(x) Notwithstanding any other provision of this Code section to the contrary, in any case where a renewal covenant is breached by the original covenantor or a transferee who is related to that original covenantor within the fourth degree by civil reckoning, the penalty otherwise imposed by subsection (l) of this Code section shall not apply if the breach occurs during the sixth through tenth years of such renewal covenant, and the only penalty imposed shall be the amount by which current use assessment has reduced taxes otherwise due for each year in which such renewal

covenant was in effect, plus interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(y) The commissioner shall have the power to make and publish reasonable rules and regulations for the implementation and enforcement of this Code section. Without limiting the commissioner's authority with respect to any other such matters, the commissioner may prescribe soil maps and other appropriate sources of information for documenting eligibility as a bona fide conservation use property. The commissioner also may provide that advance notice be given to taxpayers of the intent of a board of tax assessors to deem a change in use as a breach of a covenant.

(z) The governing authority of a county shall not publish or promulgate any information which is inconsistent with the provisions of this chapter.

Chapter 560-11-6 Conservation Use Property

560-11-6-.01 Application of Chapter.

Regulations in this Chapter apply to the current use valuation of property provided for in Georgia Code 48-5-7.4.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.4, 48-5-269.
History. Original Rule entitled "Application of Chapter" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. Mar. 1, 1995; eff. Mar. 21, 1995. Repealed: New Rule of same title adopted. F. Mar. 4, 2004; eff. Mar. 24, 2004. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.02 Definitions.
For the purposes of implementing O.C.G.A. Section 48-5-7.4, O.C.G.A. Section 48-5-269 and these Regulations, the following terms are defined to mean:
(a) "Beneficial interest," in addition to legal ownership or control, means the right to derive any profit, benefit, or advantage by way of a contract, stock ownership or interest in an estate;
(b) "Contiguous" means real property within a county that abuts, joins, or touches and has the same undivided common ownership. If an applicant's tract is divided by a public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track, then the applicant has, at the time of the initial application, a one-time election to declare the tract as contiguous irrespective of a county boundary, public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track.
(c) "Continued Covenant" means a covenant entered and carried forward, for the remainder of the original or renewal covenant term, by a qualified subsequent owner who has acquired all or a part of a property;

(d) "Good Faith Production" means:
1. A viable utilization of the property for the primary purpose of any good faith production, including, but not limited to, subsistence farming or commercial production, from or on the land of agricultural products or timber;
2. The primary use of the property shall include, but not be limited to:
(i) Raising, harvesting, or storing crops;
(ii) Feeding, breeding, or managing livestock or poultry;
(iii) Producing plants, trees, fowl, or animals;
(iv) Production of aquaculture, horticulture, floriculture, forestry, dairy, livestock, poultry, or apiarian products; or
(v) Land conservation and ecological forest management in which commercial production of wood and wood fiber products may be undertaken primarily for conservation and restoration purposes rather than financial gain.
3. Factors which may be considered in determining if such property is primarily used for good faith production of agricultural products or timber may include, but are not limited to:
(i) The nature of the terrain;
(ii) the density of the marketable product on the land;
(iii) the past usage of the land;
(iv) the economic merchantability of the agricultural product; and
(v) the utilization or non-utilization of recognized care, cultivation, harvesting, and like practices applicable to the product involved and any implemented plans thereof;
(e) "Maintenance in its natural condition" means to manage the land in such a manner that would not ruin, erode, harm, damage, or spoil the nature, distinctiveness, identity, appearance, utility or function that originally characterized the property as environmentally sensitive under O.C.G.A. Section 48-5-7.4(a)(2);
(f) "Mineral exploration" means the examination and investigation of land by drilling, boring, sinking shafts, driving tunnels, or other means, for the purpose of discovering the presence and extent of valuable minerals. Such term does not include the excavation of any such minerals after discovery;
(g) "Primary purpose or primary use" means the principal use to which the property is devoted, as distinct from an incidental, occasional, intermediate or temporary use for some other purpose not detrimental to or in conflict with its primary purpose, i.e., the devotion to and utilization of the property for the full time necessary and customary to accommodate the predominant use, e.g. the growing season, the crop cycle or planting to harvest cycle;
(h) "Qualifying use" means the primary use to which the property is devoted that qualifies the property for current use valuation under O.C.G.A. Section 48-5-7.4;
(i) "Renewal Covenant" means an additional ten year covenant entered upon the expiration of a previous ten year covenant; provided, however, that the owner may enter into a renewal contract in the ninth year of a covenant period;
(j) "Tract" means a parcel of property, less underlying property excluded from the covenants for residences that is delineated by legal boundaries, levying authorities tax district boundaries, or

other boundaries designated by the tax assessors to facilitate the proper identification of property on their maps and records.
(k) "Underlying Property" means the minimum lot size required for residential construction by local zoning ordinances or two acres, whichever is less for which the taxpayer has provided documents which delineate the legal boundaries so as to facilitate the proper identification of such property on the board of tax assessors maps and records.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7.4, 48-5-269.

History. Original Rule entitled "Definitions" adopted. F. May 28, 1993; eff. June 17, 1993. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-6-.03 Qualification Requirements.

In addition to those requirements of O.C.G.A. 48-5-7.4, the following qualification requirements shall apply:
(a) Property that otherwise qualifies for current use valuation as bona fide agricultural property shall exclude the entire value of any residence and its underlying property'. This provision for excluding the underlying property' of a residence from eligibility in the conservation use covenant shall only apply to property that is first made subject to a covenant or is subject to the renewal of a previous covenant. Additionally, the taxpayer shall provide any one of the following types of legal descriptions regarding such underlying property':
1. A plat of the underlying property' prepared by a licensed land surveyor, showing the location and measured area of the underlying property' in question;
2. A written legal description of the underlying property' delineating the legal metes and bounds and measured area of the underlying property' in question; or
3. Such other alternative property boundary description as mutually agreed upon by the taxpayer and county assessor. An acceptable alternative property boundary description may include a parcel map drawn by the county cartographer or GIS technician.
(b) The owner of a tract, lot, or parcel of land totaling less than 10 acres, after the appropriate underlying property is excluded for residential use, shall be required by the tax assessor to submit additional relevant records regarding proof of bona fide conservation use for qualified property that is either first made subject to a covenant or is subject to a renewal of a previous covenant and the following provisions shall apply:
1. If the owner of the subject property provides proof that such owner has filed with the Internal Revenue Service a Schedule E, reporting farm related income or loss, or a Schedule F, with Form 1040, or, if applicable, a Form 4835, pertaining to such property, the provisions requiring additional relevant records regarding proof of bona fide conservation use, shall not apply to such property;
2. Prior to a denial of eligibility for conservation use assessment, the tax assessor shall conduct and provide proof of a visual on-site inspection of the property; and

3. The tax assessors shall provide reasonable notice to the property owner before conducting such visual, on-site inspection of the property for the purposes of determining final eligibility.
(c) No property shall qualify for current use valuation as residential transitional property unless it is devoted to use by a single family and occupied more or less continually by the owner as the primary place of abode and for which the owner is eligible to claim a homestead exemption. The property that otherwise qualifies for current use valuation as residential transitional property shall be limited to the real property consisting of the residential improvement and no more than the contiguous five acres of land;
(d) In determining whether or not an applicant or the property in question qualifies for current use valuation provided for environmentally sensitive properties, the board of tax assessors shall require the applicant to submit a certification by the Department of Natural Resources as required by O.C.G.A.
12-2-4(k) that the specific property is environmentally sensitive property as defined by O.C.G.A. 48-5-7.4. Additionally, the board of tax assessors may require accompanying documentation or information including but not limited to:
1. Evidence of the legal ownership of the property;
2. Evidence that the past usage of the property demonstrates it has not been developed or significantly altered or otherwise rendered unfit for its natural environmental purpose; and
3. Evidence that the property has been and will continue to be maintained in its natural condition;
(e) In determining whether or not an applicant or the property in question qualifies for current use valuation provided for constructed storm water wetland conservation use properties, the board of tax assessors shall require the applicant to submit a certification by the Department of Natural Resources as required by O.C.G.A. 12-2-4 that the specific property is constructed storm-water wetlands of the free-water surface type property as defined by O.C.G.A. 48-5-7.4. Additionally, the board of tax assessors may require accompanying documentation or information including but not limited to:
1. Evidence of the legal ownership of the property;
2. A plat of the tract in question prepared by a licensed land surveyor, showing the location and measured area of the tract;
3. A certification by a licensed professional engineer that the specific design used for the constructed storm-water wetland was recommended by the engineer as suitable for such site after inspection and investigation; and
4. Information on the actual cost of constructing and an estimated cost of operating the storm-water wetland, including without limitation a description of all incorporated materials, machinery, and equipment.
(f) No property shall maintain current use valuation as constructed storm water wetland conservation use property unless the owner of such property files with the board of tax assessors on or before the last day for filing ad valorem tax returns for each tax year for which conservation use valuation is sought an annual inspection report from a licensed professional engineer certifying that as of the date of such report the property is being maintained in a proper state of repair so as to accomplish the objectives for which it was designed.

(g) No property shall qualify for current use valuation as conservation use property if such valuation would result in any person who has a beneficial interest in such property receiving any benefit from current use valuation on more than 2,000 acres in this state in any tax year. Any person so affected shall be entitled to the benefits of current use valuation on no more than 2,000 acres of such land in this state;
(h) Except as necessary to effect the provisions of the 2,000 acre limitation, a taxing jurisdiction boundary, or to exclude any property which is under a separate covenant as residential transitional property, each covenant must encompass the entire tract of property for which the conservation use valuation is sought. In those instances where inclusion of the total acreage of a tract would cause the owner to exceed the 2,000 acre limitation, the owner shall be permitted to designate so much of a contiguous area of the tract that will equal but not exceed the 2,000 acre limitation.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.4, 48-5-269.
History. Original Rule entitled "Qualification Requirements" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. Mar. 4, 2004; eff. Mar. 24, 2004. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.04 Applications.

(1) All applications for current use assessment shall be made using forms adopted by the commissioner for that purpose. Forms PT-283A, PT-283E, PT-283R, PT-283S (Rev. 09/06) and applicable questionnaires are hereby adopted and prescribed for use by the applicant seeking current use assessment. The application shall be filed with the board of tax assessors of the county in which the property is located. A board of tax assessors may not require additional information from an applicant for purposes of determining eligibility of property for current use assessment except as otherwise provided in O.C.G.A. § 48-5-7.4 and these regulations. However, the board of tax assessors must consider any additional information submitted by the applicant in support of their application for current use assessment.
(2) In those counties where U.S. Department of Agriculture, Natural Resources Conservation Service soil survey maps are available, it shall be the responsibility of the board of tax assessors to delineate the soil types on the tax records of the applicant's property.
(3) In those counties where the board of tax assessors has not been able to obtain U.S. Department of Agriculture, Natural Resources Conservation Service soil survey maps, the board of tax assessors shall determine the soil types of the applicant's property using the best information available.
(4) Applications for current use valuation provided for environmentally sensitive properties may be filed without certification by the Department of Natural Resources; provided, however, that the specific property is stipulated to be environmentally sensitive. Failure to file such certification with the board of tax assessors within thirty (30) days of the last day for filing the application for current use assessment may result in the application being denied by the board of tax assessors.

(5) Applications for current use valuation provided for constructed storm water wetland conservation use properties shall not be certified as meeting the criteria of bona fide constructed storm-water wetlands of the free-water surface type unless an authorized employee or agent of the local governing authority has inspected the site before, during, and after construction of the storm-water wetland to determine that the property is being used for controlling or abating pollution of surface or ground waters of this state by storm-water runoff or by otherwise enhancing the water quality of surface or ground waters of this state.
(6)Application for conservation use value assessment may be withdrawn prior to the current year's "final assessment" as defined in these regulations.
(7) If a qualified owner has entered into an original bona fide conservation use covenant and subsequently acquires additional qualified property contiguous to the property in the original covenant, the qualified owner may elect to enter the subsequently acquired qualified property into the original covenant for the remainder of the ten-year period of the original covenant subject to the following provisions:
(a) The subsequently acquired qualified property shall be less than 50 acres; and
(b) Such subsequently acquired property may not be subject to another existing current use covenant or preferential assessment.
(c) For the purpose of establishing the entry date of the original covenant, the assessor shall use the January 1st assessment date of the first year for which the original covenant is in effect.
(d) The covenant application for the contiguous acreage to be added to an existing covenant shall be made for the add-on acreage only and shall reference the existing original covenant by parcel number.
(8) When property receiving current use assessment and subject to a conservation use covenant is transferred to a new owner and the new owner fails to apply for continuation of the current use assessment on or before the deadline for filing tax returns in the year following the year in which the transfer occurred, such failure may be taken by the board of tax assessors as evidence that a breach of the covenant has occurred. In such event the board of tax assessors shall send to both the transferor and the transferee a notice of the board's intent to assess a penalty for breach of the covenant. The notice shall be entitled "Notice of Intent to Assess Penalty for Breach of a Conservation Use Covenant" and shall set forth the following information:
(a) the requirement of the new owner of the property to apply for continuation of the current use assessment within thirty (30) days of the date of postmark of the notice;
(b) the requirement of the new owner of the property to continuously devote the property to an applicable bona fide qualifying use for the duration of the covenant;
(c) the change to the assessment if the covenant is breached; and
(d) the amount of penalty if the covenant is breached.
(9) In the event the new owner fails to apply during the period provided for in paragraph (7) of this regulation, such failure may be taken by the board of tax assessors as further evidence the covenant has been breached due to the new owner's lack of qualification or intent not to continuously devote the property to an applicable bona fide qualifying use. In such event the board of tax assessors shall be authorized to declare the covenant in breach and assess a penalty.

(10) When property receiving current use assessment and subject to a conservation use covenant is transferred to an estate or heirs by virtue of the death of a covenant owner, and the estate or heirs fail to apply for a continuation of the current use assessment on or before the deadline for filing tax returns in the year following the year in which the death occurred, such failure may be taken by the board of tax assessors as evidence that a breach of the covenant has occurred. In such event in which case the board of tax assessors shall send to any remaining parties to the covenant, whether the estate or the heirs a notice entitled "Notice of Intent to Terminate a Conservation Use Covenant." The notice shall set forth the following:
(a) the requirement of the estate or heirs to the property currently receiving current use assessment to apply for a continuation of the current use assessment within thirty (30) days of the date of postmark of the notice; (b) the requirement of the estate or heirs to the property currently receiving current use assessment to continuously devote the property to an applicable bona fide qualifying use for the duration of the covenant; and
(c) the change to the assessment if the covenant is breached.
(11) In the event the estate or heirs fail to apply during the period provided for in paragraph (9) of this regulation, such failure may be taken by the board of tax assessors as further evidence the covenant has been breached due to the estate or heirs' lack of qualification or intent not to continuously devote the property to an applicable bona fide qualifying use. In such event the board of tax assessors shall be authorized to declare the covenant in breach without penalty.
(12) All approved applications for current use assessment shall be filed with the clerk of the superior court in the county where the property is located.
(a) the fee of the clerk of the superior court for recording approved applications shall be paid by the owner of the property with the application for current use assessment.
(b) the board of tax assessors shall collect the recording fee from the applicant seeking current use assessment and such recording fee to be in the amount provided for in Article 2 of Chapter 6 of Title 15 and shall be paid to the clerk of the superior court when the application is filed with the clerk.
(c) if the application for current use assessment is denied, the board of tax assessors shall notify the applicant in the same manner that notices of assessment are given pursuant to O.C.G.A. § 48-5-306 and shall return any filing fee paid by the applicant.
(13) At such time as property ceases to be eligible for current use assessment, the owner of the property shall file an application for release of current use assessment with the county board of tax assessors.
(a) The board of tax assessors shall approve the release upon verification that all taxes and penalties have been satisfied.
(b) The board of tax assessors shall file the approved release in the office of the clerk of the superior court in the county in which the original covenant for current use assessment was filed. No fee shall be paid to the clerk of the superior court for recording such release.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.4, 48-5-269, 48-5-306.

History. Original Rule entitled "Applications" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. Mar. 1, 1995; eff. Mar. 21, 1995. Repealed: New Rule of same title adopted. F. Feb. 24, 1997; eff. Mar. 16, 1997. Repealed: New Rule of same title adopted. F. Mar. 10, 1999; eff. Mar. 30, 1999. Amended: F. Feb. 2, 2000; eff. Feb. 22, 2000. Repealed: New Rule of same title adopted. F. Mar. 4, 2004; eff. Mar. 24, 2004. Amended: F. Dec. 20, 2006; eff. Jan. 9, 2007. Repealed: New Rule of same title adopted. F. Dec. 9, 2008; eff. Dec. 29, 2008. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.05 Change of Qualifying Use.

(1) During the covenant period the owner may change, without penalty, the use of the property from one qualifying use to another qualifying use, such as from timber land to agricultural land, but such owner shall be required to give notice of any such change to the board of tax assessors on or before the last day for the filing of a tax return in the county for the tax year for which the change is sought. Failure to so notify the board of tax assessors of the change in use may constitute a breach of covenant effective upon the date of discovery of the breach.
(2) When the qualifying use of property receiving current use assessment and subject to a conservation use covenant is changed to another qualifying use and the owner fails to notify the board of tax assessors on or before the deadline for filing tax returns in the year following the year in which the change in use occurred, such failure may be taken by the board of tax assessors as evidence that a breach of the covenant has occurred. In such event the board of tax assessors shall send to the owner a notice of the board's intent to assess a penalty for the breach of the covenant. The notice shall be entitled "Notice of Intent to Assess Penalty for Breach of a Conservation Use Covenant" and shall set forth the following information:
(a) the requirement of the owner of the property currently receiving current use assessment to notify the board of tax assessors of the current qualifying use of the property within thirty (30) days of the date of postmark of the notice;
(b) the requirement of the new owner of the property currently receiving current use assessment to continuously devote the property to an applicable bona fide qualifying use for the duration of the covenant;
(c) the change to the assessment if the covenant is breached; and
(d) the amount of penalty if the covenant is breached.
(3) In the event the new owner fails to respond to the notice provided for in paragraph (2) of this regulation by providing information concerning the change in use of the property to the board of tax assessors, such failure may be taken by the board of tax assessors as further evidence the covenant has been breached due to the owner's lack of response. The board of tax assessors shall be authorized to declare the covenant in breach and assess a penalty.

(4) In those instances where the property owner has duly notified the tax assessors that the use of the property has been changed from one qualifying use to another qualifying use, the board of tax assessors shall re-calculate the current use valuation of the property for said tax year in accordance with the valuation standards and tables prescribed by these Regulations for the new qualifying use. However, the limitation on valuation increases or decreases provided for by O.C.G.A. § 48-5-269 shall be applied to the recomputed valuation as if the owner had originally covenanted the property in the new qualifying use.
(5) In addition to the provisions for property subject to the covenant to lie fallow or idle pursuant to O.C.G.A. § 48-5-7.4(p)(2), allowing conservation use property to lie fallow due to economic or financial hardship shall not be considered a change of qualifying use nor a breach of the covenant provided the owner notifies the board of tax assessors on or before the last day for filing a tax return in the county of the land lying fallow and does not allow the land to lie fallow for more than two years within any five-year period.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7.4, 48-5-269.

History. Original Rule entitled "Change of Qualifying Use" adopted. F. May 28, 1993; eff. June 17, 1993. Amended: F. Dec. 20, 2006; eff. Jan. 9, 2007. Repealed: New Rule of same title adopted. F. Dec. 9, 2008; eff. Dec. 29, 2008. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.06 Breach of Covenant.

(1) If a breach of covenant occurs during a tax year but before the tax rate is established for that year, the penalty for that partially completed year shall be calculated based upon the tax rate in effect for the immediately preceding tax year. However, the tax due for the partially completed year shall be the same as would have been due absent a breach.
(2) If a breach occurs on all or part of the property that was the subject of an original covenant and was transferred in accordance with O.C.G.A. § 48-5-7.4(i), then the breach shall be deemed to have occurred on all of the property that was the subject of the original covenant. The penalty shall be assessed pro rata against each of the parties to the covenant in proportion to the tax benefit enjoyed by each during the life of the original covenant.
(3) The breach shall be deemed to occur upon the occasion of any event which would otherwise disqualify the property from receiving the benefit of current use valuation. The lien against the property for penalties and interest shall attach as of the date of such disqualifying event.
(4) If a covenant is breached by the original covenantor or a transferee who is related to the original covenantor within the fourth degree of civil reckoning, and where such breach occurs during the sixth through tenth years of a renewal covenant, the penalty imposed shall be the amount by which current use assessment has reduced taxes otherwise due for each year in which such renewal covenant was in effect, plus interest at the rate specified in O.C.G.A. § 48-2-40 from the date the covenant was breached.

(5) Before a penalty is assessed, notice shall be provided to the taxpayer by the board of tax assessors that the covenant has been breached. This notice shall include the specific grounds of the breach, provide to the taxpayer notice to cease and desist the alleged breach activity, and notify the taxpayer that they have thirty (30) days to correct the breach.
(6) If the board of tax assessors determines that a breach has occurred and the taxpayer has not corrected the situation within the time limit specified, the taxpayer has the right to appeal the determination of the breach to the board of equalization as provided in O.C.G.A. § 48-5-311.

Authority: O.C.G.A. §§ 48-2-12, 48-2-40, 48-5-7.4, 48-5-269.
History. Original Rule entitled "Breach of Covenant" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. Mar. 10, 1999; eff. Mar. 30, 1999. Repealed: New Rule of same title adopted. F. Dec. 9, 2008; eff. Dec. 29, 2008. Amended:F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.07 Valuation of Qualified Property.

Annually, and in accordance with the provisions and requirements of O.C.G.A. 48-5-269, the Commissioner shall propose and promulgate by regulation as specified by the Georgia Administrative Procedure Act, tables and standards of value for current use valuation of properties whose qualifying use is as bona fide conservation use properties. Once adopted by the Commissioner, these tables and standards of value shall be published and otherwise furnished to the boards of tax assessors and shall serve as the basis upon which current use valuation of such qualified properties shall be calculated for the applicable tax year.
(a) Conservation use land shall be divided into two use groups consisting of nine soil productivity classes each. These two use groups shall be agricultural land (crop land and pasture land) and timber land. The Commissioner shall determine the appropriate soil characteristics or site index factors for each of these eighteen soil productivity classes for use as a guide for the assessors. In those counties where the Soil Conservation Service of the U.S. Department of Agriculture has classified the soil according to its productivity, the Commissioner shall instead prepare and publish a table converting the Soil Conservation Service's codes into the eighteen soil productivity classes.
(b) The state shall be divided into the following areas for the purpose of accumulating the income and market information necessary to determine conservation use values:
1. For the purpose of determining the income of crop land and pasture land, the state shall be divided into an appropriate grouping of the nine crop-reporting districts as delineated by the Georgia Agricultural Statistical Service and which shall be referred to as agricultural districts;
2. For the purpose of determining the income of timber land, the agricultural districts shall be combined into timber zones as follows: agricultural districts #1, #2 and #3 shall compose timber zone #1, agricultural districts #4, #5 and #6 shall compose timber zone #2, and agricultural districts #7, #8 and #9 shall compose timber zone #3;

3. For the purpose of determining the market value of agricultural land and timber land, the state shall be divided into an appropriate grouping of the nine crop-reporting districts as delineated by the Georgia Agricultural Statistical Service. Such areas shall be referred to as market regions.
(c) Sixty-five percent of the conservation use value shall be attributable to the capitalization of net income from the property and this component of total value shall be determined as follows:
1. For crop land, the income valuation increment of the conservation use valuation shall be based on the five-year weighted average of per-acre net income from those major predominant acreage crops harvested in at least 125 counties of Georgia ("base crops"). In making this calculation, the Commissioner, utilizing the latest information either published or about to be published in the Georgia Department of Agriculture's edition of Georgia Agricultural Facts and the United States Department of Agriculture Economic Research Service's Costs of Production-Major Field Crops, shall:
(i) For each year, determine for each of the nine agricultural districts the yield per acre for each of the base crops;
(ii) For each year, determine for each of the nine agricultural districts the acres harvested of each of the separate base crops and the total acres harvested of all the base crops;
(iii) For each year, determine a state-wide price received per unit of yield for each of the base crops;
(iv) For each year, determine a state-wide cost of production consisting of the typical costs incurred in the production of the base crops, including, but not limited to, the reasonable cost of planting, harvesting, overhead, interest on operating loans, insurance and management;
(v) For each year, using the determinations herein, compute for each of the nine agricultural districts, the weighted net income per acre by summing the results of the computation of each base crop's net income obtained by multiplying the yield per acre times the percentage of total acreage times the price received and then making a reduction to account for the cost of production;
(vi) Compute for each of the nine agricultural districts, the per acre income valuation by capitalizing the average per acre weighted net income before property taxes, utilizing the rate of capitalization provided for in O.C.G.A. 48-5-269 plus the effective ad valorem tax rate;
2.(i) For pasture land, the income valuation increment of the conservation use valuation shall be based on the five-year weighted average of per-acre rental rates of pasture property. In making this calculation, the Commissioner, utilizing the latest information available, shall:
(ii) Compute for each of the nine agricultural districts, the per acre income valuation by capitalizing the average per acre rental rates weighted by the acreage of hay harvested each year utilizing the rate of capitalization provided for in O.C.G.A. 48-5-269;
3.(i) The income valuation derived for crop land and pasture land shall be combined into the income valuation for agricultural land by calculating and applying a weighted average of all crop and pasture acreage in each agricultural district.
(ii) Using soil productivity data from the Soil Conservation Service of the U.S. Department of Agriculture, determine productivity influence factors by calculating the relationships between the volumes of corn that will grow on the soils contained within each of the nine productivity classes.

Apply these factors to the per acre income valuation of agricultural land to determine the income valuations for each of the nine soil productivity classes.
4. For timber land, the income valuation increment of the conservation use valuation shall be based on the five-year weighted average of per-acre net income from hardwood and softwood harvested in Georgia. In making this calculation the Commissioner shall:
(i) For each timber category and zone, determine for the immediately preceding five years for which information is available, the unit prices received by the sellers of standing timber in Georgia from reports received by the Commissioner of actual sales, from information furnished by the Georgia Forestry Commission, from commercially prepared publications of average sales prices, or from a combination of these sources;
(ii) For each timber category and zone, determine the average volumes of the various types of timber harvested annually in Georgia;
(iii) For each timber category and zone, compute the gross income each year from the harvests of timber by multiplying the unit price for each year times the annual average harvest volumes of each type of timber harvested;
(iv) For each timber zone, determine the acres of softwood timber land and hardwood timber land;
(v) For each timber zone, compute the weighted gross income per acre for each year by dividing the gross income from the harvest of softwoods each year by the acreage of softwood timberland; dividing the gross income from the harvest of hardwoods each year by the acreage of hardwood timberland and weighting the two resulting per acre gross incomes by the percentage of acres of softwood and hardwood timberland to total acres of timberland;
(vi) For each timber zone, determine the costs of production of timber for each year including, but not limited to, the cost of site preparation, planting, seedlings, prescribed burnings, management, marketing costs and ad valorem taxes due on the harvest or sale of timber;
(vii) For each timber zone, determine the acreages of timberland annually receiving production treatments, i.e. site preparation, planting and burning;
(viii) For each timber zone, compute the production expenses per acre incurred each year by multiplying the expense by the appropriate factor, i.e. multiply the cost of site preparation per acre by the percentage of acres annually receiving this treatment, multiply the harvest tax millage by the weighted gross income per acre;
(ix) For each timber zone, compute the net income per acre for each year by subtracting the production expenses incurred during the year from the weighted gross income per acre for that year;
(x) For each timber zone, calculate the per acre income valuation by capitalizing the average per acre net income before property taxes, utilizing the rate of capitalization provided for in O.C.G.A. 48-5-269 plus the effective ad valorem tax rate;
(xi) Determine productivity influence factors by calculating the relationships between the volumes of Loblolly Pine grown on each of the nine productivity classes of soil and apply these factors to the per acre income valuation for the benchmark land, to determine the income valuations for each of the nine soil productivity classes.

(d) Thirty-five percent of the conservation use value shall be attributable to values produced by a market study consisting of sales data from arms length bona fide sales of comparable real property with and for the same existing use. In determining this increment of total value, the Commissioner shall:
1. Gather a statistically valid sample of qualified sales of agricultural and timber properties;
2. Calculate a residual land value for each sale in the sample by adjusting the sales price to remove any portion representing value attributable to any component of the sale other than the land;
3. Utilizing the residual land value sale prices, determine, as far as is practical, the relationships between the average sales price per acre for each of the nine soil productivity classes in each of the market regions.
(e) Environmentally sensitive properties and constructed storm water wetland conservation use properties shall be classified by the board of tax assessors as being within the timber land use group and shall be valued according to the current use value determined for timber land of the same or similar soil productivity class.
(f) The current use value for land lying under water, such as ponds, lakes or streams, shall be the value determined for the lowest productivity level of the predominate adjacent land use.
(g) Land utilized for an orchard or vineyard shall be classified as crop land. The trees, shrubs or vines shall be considered an improvement to the land and separately valued.
(h) Current use valuation for qualified bona fide residential transitional property shall be determined annually by the board of tax assessors by the consideration, as applicable, of the current use of such property, its annual productivity, if any, and sales data of comparable real property with and for the same existing use.
(i) Except as otherwise provided, the total current use valuation for any property, including qualified improvements, whose qualifying use is as bona fide conservation use property for any year during the covenant period shall not be increased or decreased by more than three percent from the current use valuation for the immediately preceding tax year or be increased or decreased during the entire covenant period by more than 34.39 percent from its current use valuation for the first year of the covenant period. The limitations imposed herein shall apply to the total value of all the conservation use property that is the subject of an individual covenant including any improvements that meet the qualifications set forth in O.C.G.A. 48-5-7.4(a)(1); provided, however, that in the event the owner changes the use of any portion of the land, such as from timber land to agricultural land, or adds or removes therefrom any such qualified improvements, the limitations imposed by this subsection shall be recomputed as if the new uses and improvements were in place at the time the covenant was originally entered. This limitation on increases or decreases shall not apply to the current use valuation of residential transitional property.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.4, 48-5-269.

History. Original Rule entitled "Valuation of Qualified Property" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. Mar. 4, 2004; eff. Mar. 24, 2004. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.08 Appeals.

(1) Applications for current use valuation as conservation use property or residential transitional property provided by O.C.G.A. Section 48-5-7.4 shall be approved or denied by the county board of tax assessors. If the application is denied, the board of tax assessors shall notify the applicant in the same manner that notices of assessment are given pursuant to O.C.G.A. Section 48-5-306. Such notice shall include the following simple non-technical assessment reason in bold font "CONSERVATION USE COVENANT APPLICATION DENIED." Appeals from the denial of an application shall be made in the same manner, according to the same time requirements, and decided in the same manner that other ad valorem tax assessment appeals are made pursuant to O.C.G.A. Section 48-5-311.
(2) For the first year of the covenant period the taxpayer shall be notified by the board of assessors of the current use valuation placed on the property for that year. Appeals shall be made and decided in the same manner as other ad valorem tax assessment appeals are made and decided pursuant to O.C.G.A. Section
48-5-311.
(3) During the covenant period the taxpayer shall be given notification of any change in the current use valuation made by the board of tax assessors for the then current tax year. Appeals shall be made and decided in the same manner as other ad valorem tax assessment appeals are made and decided pursuant to O.C.G.A. Section 48-5-311.
(4) Appeals regarding the current use valuation of conservation use property under paragraphs (2) and (3) of this regulation may be made contesting the board of tax assessor's initial determination or subsequent change of the qualifying use of the property, the soil classification of any part or all of the qualified property, the valuation of any qualified improvements, the assessment ratio utilized with regard to the qualified property; as well as with regard to any alleged errors that may have been made by the assessors in the application of the tables and standards of value prescribed by the Commissioner. An appeal, however, may not be made to the local board of tax assessors concerning the tables or standards of value prescribed by the Commissioner pursuant to Regulation 560-11-6-.09.
(5) The tax assessors shall continue to notify the taxpayer of any changes to the fair market value of the covenanted property, and such notice shall conform to the provisions of O.C.G.A. Section 48-5-306. A taxpayer desiring to appeal such changes shall do so in the same manner as other assessment appeals are made pursuant to O.C.G.A. Section 48-5-311.

Authority: O.C.G.A. §§ 48-2-12, 48-5-7.4, 48-5-269, 48-5-306, 48-5-311.
History. Original Rule entitled "Appeals" adopted. F. May 28, 1993; eff. June 17, 1993. Amended:F. Jun. 10, 2013; eff. Jun. 30, 2013.

560-11-6-.09 Table of Conservation Use Land Values.

(1) For the purpose of prescribing the 2017 current use values for conservation use land, the state shall be divided into the following nine Conservation Use Valuation Areas (CUVA 1 through CUVA 9) and the following accompanying table of per acre land values shall be applied to each acre of qualified land within the CUVA for each soil productivity classification for timber land (W1 through W9) and agricultural land (A1 through A9):

(a) CUVA #1 counties: Bartow, Catoosa, Chattooga, Dade, Floyd, Gordon, Murray, Paulding, Polk, Walker, and Whitfield. Table of per acre values: W1-828, W2-743, W3-675, W4-619, W5-567, W6-526, W7-493, W8-453, W9-413, A1-1,502, A2-1,421, A3-1,317, A4-1,207, A5-1,089, A6-974, A7-866, A8-760, A9-650;

(b) CUVA #2 counties: Barrow, Cherokee, Clarke, Cobb, Dawson, DeKalb, Fannin, Forsyth, Fulton, Gilmer, Gwinnett, Hall, Jackson, Lumpkin, Oconee, Pickens, Towns, Union, Walton, and White. Table of per acre values: W1-1,121, W2-1,014, W3-915, W4-829, W5-764, W6-717, W7-676, W8-621, W9-564, A1-1,646, A2-1,467, A3-1,305, A4-1,154, A5-1,034, A6-923, A7-828, A8-751, A9-676;

(c) CUVA #3 counties: Banks, Elbert, Franklin, Habersham, Hart, Lincoln, Madison, Oglethorpe, Rabun, Stephens, and Wilkes. Table of per acre values: W1-1,121, W2-1,014, W3-915, W4-829, W5-764, W6-699, W7-588, W8-478, W9-400, A1-1,253, A2-1,139, A3-1,020, A4-904, A5-788, A6-712, A7-584, A8-489, A9-413;

(d) CUVA #4 counties: Carroll, Chattahoochee, Clayton, Coweta, Douglas, Fayette, Haralson, Harris, Heard, Henry, Lamar, Macon, Marion, Meriwether, Muscogee, Pike, Schley, Spalding, Talbot, Taylor, Troup, and Upson. Table of per acre values: W1-809, W2-724, W3-657, W4-602, W5-524, W6-489, W7-425, W8-367, W9-299, A1-1,028, A2-920, A3-843, A4-754, A5-662, A6-550, A7-476, A8-369, A9-266;

(e) CUVA #5 counties: Baldwin, Bibb, Bleckley, Butts, Crawford, Dodge, Greene, Hancock, Houston, Jasper, Johnson, Jones, Laurens, Monroe, Montgomery, Morgan, Newton, Peach, Pulaski, Putnam, Rockdale, Taliaferro, Treutlen, Twiggs, Washington, Wheeler, and Wilkinson. Table of per acre values: W1-689, W2-638, W3-586, W4-536, W5-485, W6-436, W7-382, W8-331, W9-275, A1-762, A2-663, A3-616, A4-564, A5-503, A6-428, A7-351, A8-277, A9-202;

(f) CUVA #6 counties: Bulloch, Burke, Candler, Columbia, Effingham, Emanuel, Glascock, Jefferson, Jenkins, McDuffie, Richmond, Screven, and Warren. Table of per acre values: W1-681, W2-626, W3-571, W4-520, W5-465, W6-412, W7-357, W8-301, W9-246, A1-864, A2-758, A3-695, A4-638, A5-564, A6-469, A7-382, A8-293, A9-206;

(g) CUVA #7 counties: Baker, Calhoun, Clay, Decatur, Dougherty, Early, Grady, Lee, Miller, Mitchell, Quitman, Randolph, Seminole, Stewart, Sumter, Terrell, Thomas, and Webster. Table of per acre

values: W1-730, W2-664, W3-605, W4-543, W5-479, W6-419, W7-357, W8-293, W9-232, A1-1,004, A2-910, A3-809, A4-703, A5-603, A6-505, A7-391, A8-297, A9-200;

(h) CUVA #8 counties: Atkinson, Ben Hill, Berrien, Brooks, Clinch, Coffee, Colquitt, Cook, Crisp, Dooly, Echols, Irwin, Jeff Davis, Lanier, Lowndes, Telfair, Tift, Turner, Wilcox, and Worth. Table of per acre values: W1-794, W2-719, W3-644, W4-571, W5-497, W6-425, W7-350, W8-277, W9-226, A1-1,014, A2-959, A3-866, A4-772, A5-679, A6-586, A7-453, A8-367, A9-271;

(i) CUVA #9 counties: Appling, Bacon, Brantley, Bryan, Camden, Charlton, Chatham, Evans, Glynn, Liberty, Long, McIntosh, Pierce, Tattnall, Toombs, Ware, and Wayne. Table of per acre values: W1-803, W2-724, W3-657, W4-584, W5-507, W6-438, W7-364, W8-291, W9-226, A1-940, A2-906, A3-813, A4-724, A5-634, A6-543, A7-453, A8-361, A9-271.

AUTHORITY: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.4, 48-5-269.
HISTORY: Original Rule entitled "Table of Conservation Use Land Values" adopted. F. May 28, 1993; eff. June 17, 1993. Repealed: New Rule of same title adopted. F. May 13, 1994; eff. June 2, 1994. Repealed: New Rule of same title adopted. F. Mar. 1, 1995; Mar. 21, 1995. Repealed: New Rule of same title adopted. F. Jan. 28, 1996; eff. Feb. 18, 1996. Repealed: New Rule of same title adopted. F. Feb. 24, 1997; eff. Mar. 16, 1997. Repealed: New Rule of same title adopted. F. Jan. 27, 1998; eff. Feb. 16, 1998. Repealed: New Rule of same title adopted. F. Mar. 10, 1999; eff. Mar. 30, 1999. Amended: F. Feb. 2, 2000; eff. Feb. 22, 2000. Amended: F. Apr. 20, 2001; eff. May 10, 2001. Repealed: New Rule of same title adopted. F. Apr. 17, 2002; eff. May 7, 2002. Repealed: New Rule of same title adopted. F. May 19, 2003; eff. June 8, 2003. Repealed: New Rule of same title adopted. F. Mar. 4, 2004; eff. Mar. 24, 2004. Amended: F. Mar. 29, 2005; eff. Apr. 18, 2005. Repealed: New Rule of same title adopted. F. Mar. 1, 2006; eff. Mar. 21, 2006. Amended: F. Feb. 21, 2007; eff. Mar. 13, 2007. Amended: F. Apr. 21, 2008; eff. May 11, 2008. Repealed: New Rule of same title adopted. F. Apr. 15, 2009; eff. May 5, 2009. Repealed: New Rule of same title adopted. F. Mar. 15, 2010; eff. Apr. 4, 2010. Repealed: New Rule of same title adopted. F. Mar. 3, 2011; eff. Mar. 23, 2011. Amended: F. Apr. 24, 2012; eff. May 14, 2012. Amended: F. Jun. 10, 2013; eff. Jun. 30, 2013. Amended: F. Apr. 22, 2014; eff. May 12, 2014. Amended: F. May 18, 2015; eff. June 7, 2015. Amended: F. Feb. 23, 2016; eff. Mar. 14, 2016. Amended: F. Mar. 24, 2017; eff. Apr. 13, 2017.

48-5-7.7. Short title; definitions (Forest Land Protection Act of 2008)

(a) This Code section shall be known and may be cited as the "Georgia Forest Land Protection Act of 2008."

(b) As used in this Code section, the term:

(1) "Contiguous" means real property within a county that abuts, joins, or touches and has the same undivided common ownership. If an applicant's tract is divided by a county boundary, public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track then the applicant has, at the time of the initial application, a one-time election to declare the tract as contiguous irrespective of a county boundary, public roadway, public easement, public right of way, natural boundary, land lot line, or railroad track.

(2) "Forest land conservation use property" means forest land each tract of which consists of more than 200 acres of tangible real property of an owner subject to the following qualifications:

(A) Such property must be owned by an individual or individuals or by any entity registered to do business in this state;

(B) Such property excludes the entire value of any residence and its underlying land located on the property; as used in this subparagraph, the term 'underlying land' means the minimum lot size required for residential construction by local zoning ordinances or two acres, whichever is less. This provision for excluding the underlying land of a residence from eligibility in the conservation use covenant shall only apply to property that is first made subject to such a covenant, or is subject to a renewal of a previous conservation use covenant, on or after January 1, 2014;

(C) Such property has as its primary use the good faith subsistence or commercial production of trees, timber, or other wood and wood fiber products from or on the land. Such primary use includes land conservation and ecological forest management in which commercial production of wood and wood fiber products may be undertaken primarily for conservation and restoration purposes rather than financial gain. Such property may, in addition, have one or more of the following secondary uses:

(i) The promotion, preservation, or management of wildlife habitat;

(ii) Carbon sequestration in accordance with the Georgia Carbon Sequestration Registry;

(iii) Mitigation and conservation banking that results in restoration or conservation of wetlands and other natural resources; or

(iv) The production and maintenance of ecosystem products and services such as, but not limited to, clean air and water.

"Forest land conservation use property" may include, but not be limited to, land that has been certified as environmentally sensitive property by the Department of Natural Resources or which is managed in accordance with a recognized sustainable forestry certification program such as the

Sustainable Forestry Initiative, Forest Stewardship Council, American Tree Farm Program, or an equivalent sustainable forestry certification program approved by the State Forestry Commission.

(3) "Qualified owner" means any individual or individuals or any entity registered to do business in this state.

(4) "Qualified property" means forest land conservation use property as defined in this subsection.

(5) "Qualifying purpose" means a use that meets the qualifications of subparagraph (C) of paragraph (2) of this subsection.

(c) The following additional rules shall apply to the qualification of forest land conservation use property for conservation use assessment:

(1) All contiguous forest land conservation use property of an owner within a county for which forest land conservation use assessment is sought under this Code section shall be in a single covenant unless otherwise required under subsection (e) of this Code section;

(2) When one-half or more of the area of a single tract of real property is used for the qualifying purpose, then the entirety of such tract shall be considered as used for such qualifying purpose unless some other type of business is being operated on the portion of the tract that is not being used for a qualifying purpose; provided, however, that such other portion must be minimally managed so that it does not contribute significantly to erosion or other environmental or conservation problems or must be used for one or more secondary purposes specified in subparagraph (b)(2)(C) of this Code section. The following uses of real property shall not constitute using the property for another type of business:

A. The lease of hunting rights or the use of the property for hunting purposes;

B. The charging of admission for use of the property for fishing purposes;

C. The production of pine straw or native grass seed;

D. The granting of easements solely for ingress and egress; and

E. Any type of business devoted to secondary uses listed under subparagraph (b)(2)(C) of this Code section; and

(3) No otherwise qualified forest land conservation use property shall be denied conservation use assessment on the grounds that no soil map is available for the county or counties, if applicable, in which such property is located; provided, however, that if no soil map is available for the county or

counties, if applicable, in which such property is located, the board of tax assessors shall use the current soil classification applicable to such property.

(d) No property shall qualify for conservation use assessment under this Code section unless and until the qualified owner of such property agrees by covenant with the appropriate taxing authority to maintain the eligible property in forest land conservation use for a period of 15 years beginning on the first day of January of the year in which such property qualifies for such conservation use assessment and ending on the last day of December of the final year of the covenant period. After the qualified owner has applied for and has been allowed conservation use assessment provided for in this Code section, it shall not be necessary to make application thereafter for any year in which the covenant period is in effect and conservation use assessment shall continue to be allowed such qualified owner as specified in this Code section. At least 60 days prior to the expiration date of the covenant, the county board of tax assessors where the property is located shall send by first-class mail written notification of such impending expiration. Upon the expiration of any covenant period, the property shall not qualify for further conservation use assessment under this Code section unless and until the qualified owner of the property has entered into a renewal covenant for an additional period of 15 years; provided, however, that the qualified owner may enter into a renewal contract in the fourteenth year of a covenant period so that the contract is continued without a lapse for an additional 15 years.

(e) Subject to the limitations of paragraph (1) of subsection (c) of this Code section, a qualified owner shall be authorized to enter into more than one covenant under this Code section for forest land conservation use property. Any such qualified property may include a tract or tracts of land which are located in more than one county in which event the owner shall enter into a covenant with each county. In the event a single contiguous tract is required to have separate covenants under this subsection, the total acreage of that single contiguous tract shall be utilized for purposes of determining the 200 acre requirement of this Code section.

(f)(1)A qualified owner shall not be authorized to make application for and receive conservation use assessment under this Code section for any property which at the time of such application is receiving preferential assessment under Code Section 48-5-7.1 or current use assessment under Code Section 48-5-7.4; provided, however, that if any property is subject to a covenant under either of those Code sections, it may be changed from such covenant and placed under a covenant under this Code section if it is otherwise qualified. Any such change shall terminate the existing covenant and shall not constitute a breach thereof. No property may be changed more than once under this paragraph.

(2) Any property that is subject to a covenant under this Code section and subsequently fails to adhere to the qualifying purpose, as defined in paragraph (5) of subsection (b) of this Code section, may be changed from the covenant under this Code section and placed under a covenant provided for in Code Section 48-5-7.4 if the property otherwise qualifies under the provisions of

that Code section. In such a case, the existing covenant under this Code section shall be terminated, and the change shall not constitute a breach thereof. No property may be changed more than once under this paragraph.

(g) Except as otherwise provided in this Code section, no property shall maintain its eligibility for conservation use assessment under this Code section unless a valid covenant or covenants, if applicable, remain in effect and unless the property is continuously devoted to forest land conservation use during the entire period of the covenant or covenants, if applicable.

(h) If any breach of a covenant occurs, the existing covenant shall be terminated and all qualification requirements must be met again before the property shall be eligible for conservation use assessment under this Code section.

(i)(1) If ownership of all or a part of a forest land conservation use property is acquired during a covenant period by another qualified owner, then the original covenant may be continued only by both such acquiring owner and the transferor for the remainder of the term, in which event, no breach of the covenant shall be deemed to have occurred if the total size of a tract from which the transfer was made is reduced below 200 acres or the size of the tract transferred is less than 200 acres. Following the expiration of the original covenant, no new covenant shall be entered with respect to either tract unless such tract exceeds 200 acres. If a qualified owner has entered into an original forest land conservation use covenant and subsequently acquires additional qualified property contiguous to the property in the original covenant, the qualified owner may elect to enter the subsequently acquired qualified property into the original covenant for the remainder of the 15 year period of the original covenant; provided, however, that such subsequently acquired qualified property shall be less than 200 acres.

(2) If, following such transfer, a breach of the covenant occurs by the acquiring owner, the penalty and interest shall apply to the entire transferred tract and shall be paid by the acquiring owner who breached the covenant. In such case, the covenant shall terminate on such entire transferred tract but shall continue on such entire remaining tract from which the transfer was made and on which the breach did not occur for the remainder of the original covenant.
(3) If, following such transfer, a breach of the covenant occurs by the transferring owner, the penalty and interest shall apply to the entire remaining tract from which the transfer was made and shall be paid by the transferring owner who breached the covenant. In such case, the covenant shall terminate on such entire remaining tract from which the transfer was made but shall continue on such entire transferred tract and on which the breach did not occur for the remainder of the original covenant.

(j)(1) For each taxable year beginning on or after January 1, 2014, all applications for conservation use assessment under this Code section, including any forest land covenant required under this Code section, shall be filed on or before the last day for filing ad valorem tax appeals of the annual

notice of assessment except that in the case of property which is the subject of a tax appeal of the annual notice of assessment under Code Section 48-5-311, an application for forest land conservation use assessment may be filed at any time while such appeal is pending. An application for continuation of such forest land conservation use assessment upon a change in ownership of all or a part of the qualified property shall be filed on or before the last date for filing tax returns in the year following the year in which the change in ownership occurred. Applications for forest land conservation use assessment under this Code section shall be filed with the county board of tax assessors in which the property is located who shall approve or deny the application. Such county board of tax assessors shall file a copy of the approved covenant in the office of the clerk of the superior court in the county in which the eligible property is located. The clerk of the superior court shall file and index such covenant in the real property records maintained in the clerk's office. If the covenant is not so recorded in the real property records, a transferee of the property affected shall not be bound by the covenant or subject to any penalty for its breach. The fee of the clerk of the superior court for recording such covenants shall be paid by the qualified owner of the eligible property with the application for forest land conservation use assessment under this Code section and shall be paid to the clerk by the board of tax assessors when the application is filed with the clerk. If the application is denied, the board of tax assessors shall notify the applicant in the same manner that notices of assessment are given pursuant to Code Section 48-5-306 and shall return any filing fees advanced by the owner. Appeals from the denial of an application or covenant by the board of tax assessors shall be made in the same manner that other property tax appeals are made pursuant to Code Section 48-5-311.

(2) In the event such application is approved, the qualified owner shall continue to receive annual notification of any change in the forest land fair market value of such property and any appeals with respect to such valuation shall be made in the same manner as other property tax appeals are made pursuant to Code Section 48-5-311.

(k) The commissioner shall by regulation provide uniform application and covenant forms to be used in making application for conservation use assessment under this Code section.
(l) In the case of an alleged breach of the covenant, the qualified owner shall be notified in writing by the board of tax assessors. The qualified owner shall have a period of 30 days from the date of such notice to cease and desist the activity alleged in the notice to be in breach of the covenant or to remediate or correct the condition or conditions alleged in the notice to be in breach of the covenant. Following a physical inspection of property, the board of tax assessors shall notify the qualified owner that such activity or activities have or have not properly ceased or that the condition or conditions have or have not been remediated or corrected. The qualified owner shall be entitled to appeal the decision of the board of tax assessors and file an appeal disputing the findings of the board of tax assessors. Such appeal shall be conducted in the same manner that other property tax appeals are made pursuant to Code Section 48-5-311

(m) (1) A penalty shall be imposed under this subsection if during the period of the covenant entered into by a qualified owner the covenant is breached.

(2) Except as provided in subsection (i) of this Code section and paragraph (4) of this subsection, the penalty shall be applicable to the entire tract which is the subject of the covenant.

(3) The penalty shall be twice the difference between the total amount of the tax paid pursuant to the conservation use assessment under this Code section and the total amount of taxes which would otherwise have been due under this chapter for each completed or partially completed year of the covenant period. Any such penalty shall bear interest at the rate specified in Code Section 48-2-40 from the date the covenant is breached.

(4) If ownership of a portion of the land subject to the original covenant constituting at least 200 acres is transferred to another owner qualified to enter into an original forest land conservation use covenant in a bona fide arm's length transaction and breach subsequently occurs, then the penalty shall either be assessed against the entire remaining tract from which the transfer was made or the entire transferred tract, on whichever the breach occurred. The calculation of penalties in paragraph (2) of this subsection shall be used except that the penalty amount resulting from such calculation shall be multiplied by the percentage which represents the acreage of such tract on which the breach occurs to the original covenant acreage. The resulting amount shall be the penalty amount owed by the owner of such tract of land on which the breach occurred.

(n) In any case of a breach of the covenant where a penalty under subsection (m) of this Code section is imposed, an amount equal to the amount of reimbursement to each county, municipality, and board of education in each year of the covenant shall be collected under subsection (o) of this Code section and paid over to the commissioner who shall deposit such amount in the general fund.

(o) Penalties and interest imposed under this Code section shall constitute a lien against that portion of the property to which the penalty has been applied under subsection (m) of this Code section and shall be collected in the same manner as unpaid ad valorem taxes are collected. Except as provided in subsection (n) of this Code section, such penalties and interest shall be distributed pro rata to each taxing jurisdiction wherein conservation use assessment under this Code section has been granted based upon the total amount by which such conservation use assessment has reduced taxes for each such taxing jurisdiction on the property in question as provided in this Code section.

(p) The penalty imposed by subsection (m) of this Code section shall not apply in any case where a covenant is breached solely as a result of:

(1) The acquisition of part or all of the property under the power of eminent domain;

(2) The sale of part or all of the property to a public or private entity which would have had the authority to acquire the property under the power of eminent domain; or

(3) The death of an individual qualified owner who was a party to the covenant.

(q) The following shall not constitute a breach of a covenant:

(1) Mineral exploration of the property subject to the covenant or the leasing of the property subject to the covenant for purposes of mineral exploration if the primary use of the property continues to be the good faith production from or on the land of timber;

(2) Allowing all or part of the property subject to the covenant to lie fallow or idle for purposes of any forestry conservation program, for purposes of any federal agricultural assistance program, or for other agricultural management purposes;

(3) Allowing all or part of the property subject to the covenant to lie fallow or idle due to economic or financial hardship if the qualified owner notifies the board of tax assessors on or before the last day for filing a tax return in the county where the land lying fallow or idle is located and if such qualified owner does not allow the land to lie fallow or idle for more than two years of any five-year period;

(4) (A) Any property which is subject to a covenant for forest land conservation use being transferred to a place of religious worship or burial or an institution of purely public charity if such place or institution is qualified to receive the exemption from ad valorem taxation provided for under subsection (a) of Code Section 48-5-41. No qualified owner shall be entitled to transfer more than 25 acres of such person's property in the aggregate under this paragraph.

(B) Any property transferred under subparagraph (A) of this paragraph shall not be used by the transferee for any purpose other than for a purpose which would entitle such property to the applicable exemption from ad valorem taxation provided for under subsection (a) of Code Section 48-5-41 or subsequently transferred until the expiration of the term of the covenant period. Any such use or transfer shall constitute a breach of the covenant; or

(5) Leasing a portion of the property subject to the covenant, but in no event more than six acres of every unit of 2,000 acres, for the purpose of placing thereon a cellular telephone transmission tower. Any such portion of such property shall cease to be subject to the covenant as of the date of execution of such lease and shall be subject to ad valorem taxation at fair market value;

(6)(A) Allowing part of the property subject to the covenant to be used for solar generation of energy and conversion of such energy into heat or electricity, and the sale of the same in accordance with applicable law.
(B) The provisions of subparagraph (A) of this paragraph shall not allow the portion of the property on which such solar energy generating equipment is located, as depicted by a boundary survey prepared by a licensed surveyor, and which is subject to an existing covenant to remain in the covenant. Such property shall be removed from the existing covenant at the time of the installation of the solar energy generating equipment and shall be subject to the penalty for breach of the covenant contained in subsection (r) of this Code section and shall be subject to ad valorem taxation at fair market value; or
(7)(A) Allowing part of the property subject to the covenant to be used for farm labor housing. As used in this paragraph, the term 'farm labor housing' means all buildings or structures used as living quarters when such housing is provided free of charge to workers who provide labor on agricultural property.
(B) The provisions of subparagraph (A) of this paragraph shall not allow the portion of the property on which such farm labor housing is located and which is subject to an existing covenant to remain in the covenant. Such property shall be removed from the existing covenant at the time construction of the farm labor housing begins and shall be subject to ad valorem taxation at fair market value.

(r) In the following cases, the penalty specified by subsection (m) of this Code section shall not apply and the penalty imposed shall be the amount by which conservation use assessment has reduced taxes otherwise due for the year in which the covenant is breached, such penalty to bear interest at the rate specified in Code Section 48-2-40 from the date of the breach:

(1) Any case in which a covenant is breached solely as a result of the foreclosure of a deed to secure debt or the property is conveyed to the lienholder without compensation and in lieu of foreclosure, if:

(A) The deed to secure debt was executed as a part of a bona fide commercial loan transaction in which the grantor of the deed to secure debt received consideration equal in value to the principal amount of the debt secured by the deed to secure debt;

(B) The loan was made by a person or financial institution who or which is regularly engaged in the business of making loans; and

(C) The deed to secure debt was intended by the parties as security for the loan and was not intended for the purpose of carrying out a transfer which would otherwise be subject to the penalty specified by subsection (m) of this Code section;

(2) Any case in which a covenant is breached solely as a result of a medically demonstrable illness or disability which renders the qualified owner of the real property physically unable to continue the property in the qualifying use, provided that the board of tax assessors or boards of assessors, if applicable, shall require satisfactory evidence which clearly demonstrates that the breach is the result of a medically demonstrable illness or disability;

(3) Any case in which a covenant is breached solely as a result of a qualified owner electing to discontinue the property in its qualifying use, provided such qualified owner has renewed without an intervening lapse at least once the covenant for land conservation use, has reached the age of 65 or older, and has kept the property in the qualifying use under the renewal covenant for at least three years. Such election shall be in writing and shall not become effective until filed with the county board of tax assessors or boards of assessors, if applicable; or

(4) Any case in which a covenant is breached solely as a result of a qualified owner electing to discontinue the property in its qualifying use, provided such qualified owner entered into the covenant for forest land conservation use for the first time after reaching the age of 67 and has either owned the property for at least 15 years or inherited the property and has kept the property in the qualifying use under the covenant for at least three years. Such election shall be in writing and shall not become effective until filed with the county board of tax assessors where the property is located.

(s) Property which is subject to forest land conservation use assessment under this Code section shall be separately classified from all other property on the tax digest; and such separate classification shall be such as will enable any person examining the tax digest to ascertain readily that the property is subject to conservation use assessment under this Code section. Covenants shall be public records and shall be indexed and maintained in such manner as will allow members of the public to locate readily the covenant affecting any particular property subject to conservation use assessment under this Code section. Based on information submitted by the county boards of tax assessors, the commissioner shall maintain a central registry of conservation use property, indexed by qualified owners.

(t) The commissioner shall annually submit a report to the Governor, the Department of Agriculture, the Georgia Agricultural Statistical Service, the State Forestry Commission, the Department of Natural Resources, and the University of Georgia Cooperative Extension Service and the House Ways and Means, Natural Resources and Environment, and Agriculture and Consumer Affairs committees and the Senate Finance, Natural Resources and the Environment, and Agriculture and Consumer Affairs committees and shall make such report available to other members of the General Assembly, which report shall show the fiscal impact of the assessments provided for in this Code section. The report shall include the amount of assessed value eliminated from each county's digest as a result of such assessments; approximate tax dollar losses, by

county, to all local governments affected by such assessments; and any recommendations regarding state and local administration of this Code section, with emphasis upon enforcement problems, if any, attendant with this Code section. The report shall also include any other data or facts which the commissioner deems relevant.

(u) A public notice containing a brief, factual summary of the provisions of this Code section shall be posted in a prominent location readily viewable by the public in the office of the board of tax assessors and in the office of the tax commissioner of each county in this state.

(v) At such time as the property ceases to be eligible for forest land conservation use assessment or when any 15 year covenant period expires and the property does not qualify for further forest land conservation use assessment, the qualified owner of the property shall file an application for release of forest land conservation use treatment with the county board of tax assessors where the property is located who shall approve the release upon verification that all taxes and penalties with respect to the property have been satisfied. After the application for release has been approved by such board of tax assessors, the board shall file the release in the office of the clerk of the superior court in the county in which the original covenant was filed. The clerk of the superior court shall file and index such release in the real property records maintained in the clerk's office. No fee shall be paid to the clerk of the superior court for recording such release. The commissioner shall by regulation provide uniform release forms.

(w) The commissioner shall have the power to make and publish reasonable rules and regulations for the implementation and enforcement of this Code section. Without limiting the commissioner's authority with respect to any other such matters, the commissioner may prescribe soil maps and other appropriate sources of information for documenting eligibility as a forest land conservation use property. The commissioner also may provide that advance notice be given to a qualified owner of the intent of a board of tax assessors to deem a change in use as a breach of a covenant.

Chapter 560-11-11 Forest Land Protection Act

560-11-11-.01 Definitions.

As used in this Regulatory Chapter, the term:
(a) "Application" shall mean the application for QFLP designation, which includes a three part form consisting of: Section A - Application; Section B - Questionnaire; and Section C -Covenant. All three parts of the application shall be completed by the applicant seeking the QFLP designation.
(b) "Contiguous" shall mean real property within a county that abuts, joins, or touches and has the same undivided common ownership.
1. If an applicant's tract is divided by a county boundary, public roadway, public easements, public right-of-way, natural boundary, land lot line or railroad tracks then the applicant has, at the time

of the initial application, a one-time election to declare the tract as contiguous irrespective of a county boundary, public roadway, public easement, public right-of-way, natural boundary, land lot line or railroad track.
(c) "Department" shall mean the Georgia Department of Revenue.
(d) "Entity registered to do business in this state" shall mean any firm, partnership, cooperative, nonprofit membership corporation, joint venture, association, company, corporation, agency, syndicate, estate, trust, business trust, receiver, fiduciary, or other group or combination acting as a unit, body politic, or political subdivision, whether public, private, or quasi-public that is registered to do business with the Secretary of the State of Georgia or that has been created by a court.
(e) "FLPA" shall mean the Georgia Forest Land Protection Act of 2008 as codified in O.C.G.A. § 48-5-7.7.
(f) "Forest Land" shall mean the timbered area of a tract of land as determined by the Local Board of Tax Assessors.
(g) "Good Faith Subsistence" shall mean the use of the forest land in a manner that minimizes change or damage to the natural state of the forest land.
(h) "Local Board of Tax Assessors" shall mean the local board of tax assessors in any county where the application for QFLP designation is filed and the real property is located.
(i) "Notice of Breach" shall mean the notice sent by the Local Board of Tax Assessors in the county where the breach has occurred.
(j) "Permissible Breach" shall mean a breach enumerated in O.C.G.A. § 48-5-7.7(p), which will serve to terminate the QFLP Covenant. However, the breaching party is not subject to penalties and interest.
(k) "Plat" shall mean a legible drawing done on, at a minimum, 8 ½ x 11 20lb paper sufficiently delineating the boundaries of the tract of real property for which QFLP designation is sought.
1.All Plats shall be drawn with the top of the page being north.
(l) "Primary Use" shall mean a use of the tract which is
1. According to O.C.G.A. § 48-5-7.7 (b)(2)(C).
2. As set forth on the Department's application form and is approved by the Local Board of Tax Assessors.
(m) "QFLP" stands for Qualified Forest Land Property of greater than 200 acres
1. That meets the qualifications set forth in FLPA.
2. That has been approved by the Local Board of Tax Assessors.
3. For which a QFLP Covenant has been
(i) Signed on behalf, or by all parties owning an undivided interest in the fee simple tract; and
(ii) Recorded in any appropriate county's real property index.

(n) "QFLP Covenant" shall mean the fifteen (15) year covenant required by O.C.G.A. §48-5-7.7. The form of the covenant shall be in the manner prescribed by the Commissioner.
(o) "Secondary Use" shall mean secondary uses of the tract as specified in the FLPA as determined by the Local Board of Tax Assessors.

(p) "Underlying Property" means the minimum lot size required for residential construction by local zoning ordinances or two acres, whichever is less, for which the taxpayer has provided documents which delineate the property boundaries so as to facilitate the proper identification of such property on the covenant applicant and the board of tax assessors maps and records.

Cite as Ga. Comp. R. & Regs. r. 560-11-11-.01 Authority: O.C.G.A. Secs. 48-2-12, 48-5-7, 48-5-7.7, 48-5-271.
History. Original Rule entitled "Table of Forest Land Protection Act Land Use Values" adopted. F. Apr. 15, 2009; eff. May 5, 2009. Amended: ER. 560-11-11-0.40-.01 entitled "Definitions" adopted. F. May 22, 2009; eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-11-.02 Withdrawing or Amending an Application for QFLP.

(1) An application for QFLP may be amended or withdrawn at any time prior to the initial approval or denial of such QFLP application by the local county board of tax assessors by giving notification of such amendment or withdrawal.
(2) The notification for amending or withdrawing the application shall be considered received by the local board of assessors when hand delivered or when date stamped by the United States Postal Service.

Cite as Ga. Comp. R. & Regs. r. 560-11-11-.02 Authority: O.C.G.A. Secs. 48-2-12, 48-5-7.7.
History. Original Rule entitled "Withdrawing or Amending an Application for QFLP" adopted as ER. 560-11-11-0.40-.02. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-11-.03 QFLP Qualifications.

(1) The Local Board of Tax Assessors shall be responsible for approving all QFLP applications.
(2) Real property for which QFLP designation is sought shall meet all requirements as set forth in O.C.G.A. § 48-5-7.7 and
(a) At least one-half of area of the applicant's tract of real property for which QFLP designation is sought must be used for a Qualifying Purpose as set forth in O.C.G.A. § 48-5-7.7, and Department regulations;
(b) The portion of the tract not being used for a Qualifying Purpose must not be used for any other type of business other than as set forth in O.C.G.A. § 48-5-7.7; and
(c) Uses of any portion of the tract not being used for a Qualifying Purpose may be deemed acceptable uses by the Local Board of Tax Assessors, and therefore not in breach of the QFLP Covenant, provided that

1. The Local Board of Tax Assessors determines that such portion is
(i) Minimally managed so that it does not contribute significantly to erosion or other environmental or conservation problems; or
(ii) Being used for any secondary uses as listed in O.C.G.A. § 48-5-7.7(b)(2)(C).

(3) Area around cellular phone tower pads used or maintained as part of the pad, shall not constitute a breach of the QFLP Covenant if
(a) The tract is less than 2,000 acres the total area of the pads does not exceed six (6) acres, or
(b) For tracts larger than 2,000 acres, the total area of cellular phone tower pads does not exceed six (6) acres for every 2,000 acres.
(c) Any roadway to the cellular phone tower pads shall not be included in the determination of the six (6) acre maximum.

(4) To obtain QFLP designation for a contiguous tract of real property located in multiple counties, the applicant must enter into a single QFLP Covenant for the entire contiguous tract. This QFLP Covenant must be approved and recorded in each county where the contiguous tracts are located.
(a) If one or more counties deny a QFLP application, any portions of the contiguous tract which are approved, may still be eligible for QFLP designation provided that
1. Any remaining tract or tracts meets the minimum qualifications as set forth in O.C.G.A. § 48-5-7.7, and Department regulations.
2. The QFLP Covenant is signed by all owners and the appropriate Local Board(s) of Tax Assessors; and
3. Recorded in the appropriate county's real property index.
(5) The QFLP Covenant shall be effective upon the county signing and recording the QFLP Covenant in the real property index.
(a) Any appeals to the denial of QFLP designation or failure by the Local Board of Tax Assessors to sign the Covenant, shall be made in the manner provided for in O.C.G.A. §48-5-311.
1. If an appeal is not resolved until the subsequent year after the filing of the application and the applicant receives a favorable decision on the appeal the applicant shall be entitled to the benefits derived from the QFLP Covenant beginning in the year for which the application was filed.
(6) Property that otherwise qualifies for a Forest Land Conservation Use Covenant shall exclude the entire value of any residence and its underlying property. This provision for excluding the underlying property of a residence from eligibility in the conservation use covenant shall only apply to property that is first made subject to a covenant or is subject to the renewal of a previous covenant. Additionally, in conjunction with the covenant application, the taxpayer shall provide any one of the following types of property boundary descriptions regarding such underlying property:
(a) A plat of the underlying property prepared by a licensed land surveyor, showing the location and measured area of the underlying property in question;
(b) A written legal description of the underlying property delineating the legal metes and bounds and measured area of the underlying property in question; or

(c) Such other alternative property boundary description as mutually agreed upon by the taxpayer and county assessors. An acceptable alternative property boundary description may include a parcel map drawn by the county cartographer or GIS technician.

Cite as Ga. Comp. R. & Regs. r. 560-11-11-.03 Authority: O.C.G.A. Secs. 48-2-12, 48-5-7.7. History. Original Rule entitled "QFLP Qualifications" adopted as ER. 560-11-11-0.40-.03. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-11-.04 QFLP Application.

(1) The Commissioner hereby adopts the form in Regulation 560-11-11-.11 Exhibit (A), as the Form to be used by all counties as the application for the FLPA.
(2) All applicants for QFLP designation shall include with their application
(a) A plat of the tract for which QFLP designation is sought.
(b) A written legal description of the tract.
(3) If a legal description or plat is contested by the county, then the county shall have the burden to prove its assertion that the plat or legal description as provided by the applicant is deficient.

Authority O.C.G.A. Secs. 48-2-12, 48-5-7.7.History. Original Rule entitled "QFLP Application" adopted as ER. 560-11-11-0.40-.04. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009.

560-11-11-.05 Period for Local Board of Assessors to Approve or Deny QFLP Applications.

(1) A Local Board of Tax Assessors shall have one hundred twenty days from receipt of an application for QFLP designation to approve or deny such application.
(2) The application must be filed with the Local Board of Tax Assessors no later than the last day for filing ad valorem tax appeals of the annual notice of assessment, except that in the case of property which is the subject of a tax appeal of the annual notice of assessment under O.C.G.A. §48-5-311, an application for forest land conservation use assessment may be filed at any time while such appeal is pending.
(3) Upon approval, the Local Board of Tax Assessors must notify the applicant within thirty (30) days of its decision and provide the QFLP Covenant to the applicant for signatures.
(4) Upon denial of an Application, the Local Board of Tax Assessors must notify the applicant in the manner provided for in O.C.G.A. §48-5-306.(5) If an Application is denied by the Local Board of Tax Assessors, any fees advanced by the applicant shall be returned to the applicant within thirty (30) days of the denial by the Local Board of Tax Assessors.

Cite as Ga. Comp. R. & Regs. r. 560-11-11-.05 Authority: O.C.G.A. Secs. 48-2-12, 48-5-7.7, 48-5-306. History. Original Rule entitled "Period for Local Board of Assessors to Approve or Deny QFLP Applications" adopted as ER. 560-11-11-0.40-.05. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-11-.06 QFLP Covenant.

(1) All contiguous tracts of an owner within a county for which forest land conservation use assessment is sought shall be in a single covenant unless otherwise required by law.
(2) The QFLP Covenant shall
(a) Be signed and recorded in any county where the tract is located and owner(s) have made application and received approval for QFLP designation.
1. The QFLP Covenant shall be signed by all owner(s) of record of the tract.
2. An individual may sign on behalf of the owner(s) of record by providing that such person has established that individual has sufficient legal authority satisfactory to the Local Board of Tax Assessors, to act on behalf of the owner(s).
(b) Have an effective date of January 1 of the year for which the application was filed and the QFLP Covenant is signed by all required parties.
(3) An applicant receiving a favorable ruling for an appeal shall receive all benefits derived from the QFLP Covenant beginning in the year for which the application was filed, irrespective of if the appeal is not resolved until subsequent year(s).
(4) The QFLP Covenant and benefits derived therefrom shall not extend to any portion of the tract for which the QFLP Covenant has not yet been signed and recorded in that county's real property index.

Cite as Ga. Comp. R. & Regs. r. 560-11-11-.06 Authority: O.C.G.A. §§ 48-5-7.7.
History. Original Rule entitled "QFLP Covenant" adopted as ER. 560-11-11-0.40-.06. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended: F. May 18, 2015; eff. June 7, 2015.

560-11-11-.07 Notice of Breach.

(1) The Notice of Breach shall be sent within thirty (30) days from the day that the breach is reported to or discovered by the Local Board of Tax Assessors to
(a) The owner(s) of record of the real property in breach.
(b) The Local Board of Tax Assessors in every other county where the QFLP is located.
(2) The Notice of Breach shall include the following:
(a) The location of the breach;
(b) The date the breach was reported or discovered;
(c) An explanation of the breach;
(d) Whether the remedy is remediation or cease and desist of the breach;
(e) The date by which the remedy must be completed; and
(f) The penalty for not remedying or ceasing or desisting the breach.
(3) The thirty (30) day period for the owner to remedy the breach shall not begin until the owner has received a Notice of Breach that complies with the requirements set forth in this Regulation.

Authority O.C.G.A. Secs. 48-2-12, 48-5-7.7.History. Original Rule entitled "Notice of Breach" adopted as ER. 560-11-11-0.40-.07. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009.

560-11-11-.08 Notification and Inspection Concerning QFLP in Breach of Covenant.

(1) The owner(s) of record of the tract of real property in breach shall have thirty (30) days from the date of receipt of the Notice of Breach by any owner of record to remedy the breach as specified in the Notice of Breach.
(2) Beginning on the first day after the thirty (30) day period for an owner(s) of record of the tract of real property to remedy the breach, the Local Board of Tax Assessors shall have forty-five (45) days in which to conduct a physical inspection of the real property to determine if the prescribed remedy has been completed.
(3) The Local Board of Tax Assessors shall have fifteen (15) days from the date of the physical inspection or the end of the inspection period, whichever is later, to send a written notice to the owner(s) of record of the tract, and any counties that encompass the tract subject to the breached QFLP Covenant, to inform the owner(s) whether the tract of real property is in compliance with the QFLP Covenant.
(a) Failure to inspect the tract of real property shall be deemed a determination that the tract is in compliance with the QFLP Covenant.
(4) If a QFLP Covenant covers multiple counties then the Local Board of Tax Assessors in the county where the breach has occurred shall send the same written notifications to the Local Board of Tax Assessors in all affected counties where the QFLP Covenant is in force and effect.

(a) Such written notifications shall be sent within the same time period, and in the same manner, as the written notification sent to the owner(s) of record notifying them of the breach and the determination of whether or not the tract is in compliance with the QFLP Covenant.
(5) Appeals concerning notice, inspection or any other issue, must be made in the manner provided for in O.C.G.A. § 48-5-311.
(6) Notifications required by this Regulation that are sent by the Local Board of Tax Assessors to owner(s) of record of the tract subject to QFLP Covenant; and to any other counties where the tract is located and subject to the QFLP Covenant, shall be sent via certified mail by the United States Postal Service, commercial delivery service, commercial courier, or personal service to the last known address of the owner(s) of record.

Authority O.C.G.A. Secs. 48-2-12, 48-5-7.7, 48-5-311.History. Original Rule entitled "Notification and Inspection Concerning QFLP in Breach of Covenant" adopted as ER. 560-11-11-0.40-.08. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009.
560-11-11-.09 Release of Covenant.

(1) When a tract of real property is no longer eligible as a QFLP due to a non-remedied breach, or at the expiration of the QFLP Covenant, the owner of such tract of real property shall file an application with the Local Board of Tax Assessors for release of the tract of real property from the QFLP Covenant
(a) Within sixty (60) days of the last day the tract was eligible as QFLP; or
(b) Within sixty (60) days of the last day of the QFLP Covenant.
(2) The Local Board of Tax Assessors must within fifteen (15) days from receipt of an application for release, determine if all taxes and penalties, if applicable, have been paid and satisfied on the tract of real property.
(a) Upon approval of the application for release of the tract real property from the QFLP Covenant, the Local Board of Tax Assessors shall have fifteen (15) days to
1. Provide written notification to the applicant that the release has been approved.
2. File the release with the office of the Clerk of Superior Court in the county where the original QFLP Covenant was filed, and provide a copy to the applicant.
(3) If an application for release is denied, the Local Board of Tax Assessors shall send written notification to the applicant within fifteen (15) days of receipt of such application and it shall include the reason(s) for denial.
(a) Appeals resulting from denial of release shall be made in the manner provided for in O.C.G.A. § 48-5-311.

Authority O.C.G.A. Secs. 48-2-12, 48-5-7.7, 48-5-311.History. Original Rule entitled "Release of Covenant" adopted as ER. 560-11-11-0.40-.09. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009.

560-11-11-.10 Penalty for Breach.

(1) If a breach should occur during the QFLP Covenant period then a penalty shall be imposed by the Local Board of Tax Assessors.
(a) The method for calculating the amount of the penalty owed is set forth in O.C.G.A § 48-5-7.7(m).
(b) Penalties and interest imposed pursuant to O.C.G.A. § 48-5-7.7, shall constitute a lien against that portion of the property which is subject of the original covenant, and shall be collected in the same manner as unpaid ad valorem taxes.
(2) If all or part of the tract subject of the original QFLP Covenant is transferred during a the covenant period to another qualified owner, and following such transfer the acquiring owner and/or transferring owner cause a breach of the covenant, then:
(a) Any county affected by the breach must seek recovery of penalties and interest from the breaching party by any judicial means including but not limited to; foreclosure of the breaching party's property.
(3) Activities listed in O.C.G.A. § 48-5-7.7(q) shall not constitute a breach of the QFLP Covenant.
(4) If a contiguous tract is subject to a QFLP Covenant in multiple counties then a breach occurring in any of the counties where the contiguous tract is located shall constitute a breach of the entire contiguous tract. The owner of the contiguous tract shall be assessed all penalties and interest resulting from the breach of the QFLP Covenant.
(5) If a breach occurs solely as the result of a Permissible Breach then no penalty shall be assessed but the QFLP Covenant will be terminated.

Authority O.C.G.A. Sec. 48-5-7.7.History. Original Rule entitled "Penalty for Breach" adopted as ER. 560-11-11-0.40-.10. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Amended:F. Jun. 30, 2011; eff. Jul. 20, 2011.

560-11-11-.11 Forms.

(1) The Commissioner hereby adopts
(a) Exhibit (A) as the Form for QFLP Application,
(b) Exhibit (B) as the Form for the QFLP Covenant,
(c) Exhibit (C) as the Form for the Notice of Breach, and
(d) Exhibit (D) as the Form for the Application for Release.

Authority O.C.G.A. Sec. 48-2-12.History. Original Rule entitled "Forms" adopted as ER. 560-11-11-0.40-.11.F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009.

560-11-11-.12 Table of Forest Land Protection Act Land Use Values.

(1) For the purpose of prescribing the 2017 current use values for conservation use land, the state shall be divided into the following nine Forest Land Protection Act Valuation Areas (FLPAVA 1 through FLPAVA 9) and the following accompanying table of per acre land values shall be applied to each acre of qualified land within the FLPAVA for each soil productivity classification for timber land (W1 through W9):

(a) FLPAVA #1 counties: Bartow, Catoosa, Chattooga, Dade, Floyd, Gordon, Murray, Paulding, Polk, Walker, and Whitfield. Table of per acre values: W1-828, W2-743, W3-675, W4-619, W5-567, W6-526, W7-493, W8-453, W9-413;

(b) FLPAVA #2 counties: Barrow, Cherokee, Clarke, Cobb, Dawson, DeKalb, Fannin, Forsyth, Fulton, Gilmer, Gwinnett, Hall, Jackson, Lumpkin, Oconee, Pickens, Towns, Union, Walton, and White. Table of per acre values: W1-1,121, W2-1,014, W3-915, W4-829, W5-764, W6-717, W7-676, W8-621, W9-564;

(c) FLPAVA #3 counties: Banks, Elbert, Franklin, Habersham, Hart, Lincoln, Madison, Oglethorpe, Rabun, Stephens, and Wilkes. Table of per acre values: W1-1,121, W2-1,014, W3-915, W4-829, W5-764, W6-699, W7-588, W8-478, W9-400;

(d) FLPAVA #4 counties: Carroll, Chattahoochee, Clayton, Coweta, Douglas, Fayette, Haralson, Harris, Heard, Henry, Lamar, Macon, Marion, Meriwether, Muscogee, Pike, Schley, Spalding, Talbot, Taylor, Troup, and Upson. Table of per acre values: W1-809, W2-724, W3-657, W4-602, W5-524, W6-489, W7-425, W8-367, W9-299;

(e) FLPAVA #5 counties: Baldwin, Bibb, Bleckley, Butts, Crawford, Dodge, Greene, Hancock, Houston, Jasper, Johnson, Jones, Laurens, Monroe, Montgomery, Morgan, Newton, Peach, Pulaski, Putnam, Rockdale, Taliaferro, Treutlen, Twiggs, Washington, Wheeler, and Wilkinson. Table of per acre values: W1-689, W2-638, W3-586, W4-536, W5-485, W6-436, W7-382, W8-331, W9-275;

(f) FLPAVA #6 counties: Bulloch, Burke, Candler, Columbia, Effingham, Emanuel, Glascock, Jefferson, Jenkins, McDuffie, Richmond, Screven, and Warren. Table of per acre values: W1-681, W2-626, W3-571, W4-520, W5-465, W6-412, W7-357, W8-301, W9-246;

(g) FLPAVA #7 counties: Baker, Calhoun, Clay, Decatur, Dougherty, Early, Grady, Lee, Miller, Mitchell, Quitman, Randolph, Seminole, Stewart, Sumter, Terrell, Thomas, and Webster. Table of per acre values: W1-730, W2-664, W3-605, W4-543, W5-479, W6-419, W7-357, W8-293, W9-232;

(h) FLPAVA #8 counties: Atkinson, Ben Hill, Berrien, Brooks, Clinch, Coffee, Colquitt, Cook, Crisp, Dooly, Echols, Irwin, Jeff Davis, Lanier, Lowndes, Telfair, Tift, Turner, Wilcox, and Worth. Table of per acre values: W1-794, W2-719, W3-644, W4-571, W5-497, W6-425, W7-350, W8-277, W9-226;
(i) FLPAVA #9 counties: Appling, Bacon, Brantley, Bryan, Camden, Charlton, Chatham, Evans, Glynn, Liberty, Long, McIntosh, Pierce, Tattnall, Toombs, Ware, and Wayne. Table of per acre values: W1-803, W2-724, W3-657, W4-584, W5-507, W6-438, W7-364, W8-291, W9-226.

AUTHORITY: O.C.G.A. §§ 48-2-12, 48-5-7, 48-5-7.7, 48-5-271.

HISTORY: Original Rule entitled "Table of Forest Land Protection Act Land Use Values" adopted as ER. 560-11-11-0.40-.12. F. and eff. May 22, 2009, the date of adoption. Amended: Permanent Rule of same title adopted. F. June 26, 2009; eff. July 16, 2009. Repealed: New Rule of same title adopted. F. Mar. 15, 2010; eff. Apr. 4, 2010. Repealed: New Rule of same title adopted. F. Mar. 3, 2011; eff. Mar. 23, 2011. Amended: F. Apr. 24, 2012; eff. May 14, 2012. Amended: F. Jun. 25, 2013; eff. Jul 15, 2013. Amended: F. Apr. 22, 2014; eff. May 12, 2014. Amended: F. May 18, 2015; eff. June 7, 2015. Amended: F. Feb. 23, 2016; eff. Mar. 14, 2016. Amended: F. Mar. 24, 2017; eff. Apr. 13, 2017.

560-11-11-.13 Valuation of Additional Qualified Property which is Contiguous to the Property in the Original Covenant.

(1) If a qualified owner has entered into an original forest land conservation use covenant and subsequently acquires additional qualified property contiguous to the property in the original covenant, the qualified owner may elect to enter the subsequently acquired qualified property

into the original covenant for the remainder of the fifteen (15) year period of the original covenant; provided, however, that such subsequently acquired qualified property shall be less than two hundred (200) acres.
(2) If the qualified owner makes such an election, then additional qualified property shall be valued in accordance with O.C.G.A. § 48-5-269.
(a) When calculating the additional qualified property's initial value, this initial value shall not be subject to the three percent (3%) limitation provided for in O.C.G.A. 48-5-271(b).

Authority O.C.G.A. Secs. 48-5-7.7, 48-5-269, 48-5-271.History. Original Rule entitled "Valuation of Additional Qualified Property which is Contiguous to the Property in the Original Covenant" adopted. F. Jun. 30, 2011; eff. Jul. 20, 2011.

Soil Ratings for Conservation Use and FLPA
The following pages contain procedures, data and productivity tables that were used in the rating of soils for conservation use. Many of the ideas used in the soil ratings were a result of discussions and work with Soil Conservation Service (SCS) personnel. Steve Lawrence, assistant state soil scientist, provided many hours of work and numerous suggestions for the establishment of the soil productivity ratings. The SCS was most generous with their time and computer facilities to produce many soil listings from which data was obtained.

It is also acknowledged that Dennis Martin, Georgia Forestry Commission, brought forth ideas used in establishing the site index ranges for woodland. His suggestions were directly incorporated into the rating procedures for woodland.

The various modifiers used throughout the rating process were results of discussions with individuals knowledgeable in their respective fields or based upon information derived from a history of sales study.

Cultivated Land
A corn yield or a projected corn yield was used to rate soils for cultivated land. A projected corn yield was used in the absence of a corn yield. Factoring the soil's soybean yield by 2.6 arrived at the projected corn yield. If no soybean yield was available, 1.94 to give a projected corn yield factored the soil's wheat yield.

The multiplier of 2.6 was derived from the relationship of corn yield to soybean yield in the 1562 occurrences where it could be established. The multiplier of 1.94 for wheat yield was established based upon 535-corn yield to wheat yield relationships.

Three criteria were used to set up the Productivity Ratings for cultivated land, corn yield or projected corn yield, soil capability class, and flood rating. The table below lists the criteria and the associated rating.

Corn Yield	Cap Class	Flood Rating	Productivity Rating
125 <= CY <= 160	1 – 4	NONE*	1
125 <= CY <= 160	1 – 4	O / F**	2
110 <= CY <= 124	1 – 4	NONE	2
110 <= CY <= 124	1 – 4	O / F	3
100 <= CY <= 109	1 – 4	NONE	3
100 <= CY <= 109	1 – 4	O / F	4
85 <= CY <= 99	1 – 4	N / A***	4
70 <= CY <= 84	1 – 4	N / A	5
55 <= CY <= 69	1 – 4	N / A	6
40 <= CY <= 54	1 – 4	N / A	7
N / A	5 – 6	N / A	8
N / A	7 – 8	N / A	9

*None - Soils are not subject to flooding or rarely flood.
** O / F - Soils are flooded on an occasional to frequent basis.
*** N / A - Not Applicable.

Pasture Land

AUM values or Animal Unit Months were used to rate soils according to their pasture productivity. In cases where AUM data was missing, a projected AUM value was established by defining a relationship between corn yields and AUM of .0986 [((AUM/CORN YIELD)) / # of occurrences where data was present]. The .0986 was then multiplied by the corn yield to produce a projected AUM value. Since flooding does not adversely affect pastureland, no adjustment was made for a flood rating.

The following table was used to rate soils for pastureland.

Aum	Cap Class	Productivity Rating
11.0 < = AUM < = 12.0	1 – 4	1
9.5 < = AUM < = 10.9	1 – 4	2
8.0 < = AUM < = 9.4	1 – 4	3
7.0 < = AUM < = 7.9	1 – 4	4
6.0 < = AUM < = 6.9	1 – 4	5
5.0 < = AUM < = 5.9	1 – 4	6
3.5 < = AUM < = 4.9	1 – 4	7
1.0 < = AUM < = 3.4	1 – 4	8
N / A	5 - 6	8
0.0 < = AUM < = 0.9	N / A	9
N /A	7 - 8	9

Woodland

A loblolly pine site index or slash pine site index was used in the establishment of soil ratings for woodland. The site index was adjusted for various factors, such as seedling mortality and equipment limitation. Below are the adjustments made for the listed criteria.

Seedling Mortality	Equipment Limitation
Slight(S) = 1.00	Slight(S) = 1.00
Moderate(M) = .95	Moderate(M) = .90
Severe(V) = .80	Severe(V) = .70

No adjustment was made for flooding. "Equipment Limitations" and "Seedling Mortality" factors accounted for flooding problems. The following table was used to rate soils for woodland.

Adj Site Index (SI)	Productivity Rating
90 < = SI < = 101	1
85 < = SI < = 89	2
81 < = SI < = 84	3
80 = = SI = = 80	4
75 < = SI < = 79	5
70 < = SI < = 74	6
60 < = SI < = 69	7
10 < = SI < = 59	8
0 < = SI < = 9	9

Digest Classification and Coding

In addition to regulations governing the issues discussed thus far, there are additional regulations that define the classification and coding of properties on the Property Tax Digest. The classification and coding system is applied to property as well as to the various exemptions that maybe assigned to the parcel.

The table on the following page contains the State digest classification and stratification codes for property and the standard State exemption codes for the various Current Use and Ag covenants.

Real Property - Digest Classification & Stratification Codes

Code	Description		Code	Description
R1	Residential Improvement		V3	Conservation Use Lot
R3	Residential Lot		V4	Conservation Use Small Tract
R4	Residential Small Parcel		V5	Conservation Use Large Tract
R5	Residential Large Tract		V6	Conservation Use Production/Stg/Aux
R6	Residential Production/Stg/Aux			
R9	Residential Other		T1	Residential Trans Improvement
			T3	Residential Trans Lot
A1	Agricultural Improvement		T4	Residential Trans Small Tract
A3	Agricultural Lot			
A4	Agricultural Small Tract		U1	Utility Improvement
A5	Agricultural Large Tract		U2	Utility Operating
A6	Agricultural Production/Stg/Aux		U3	Utility Lot
A9	Agricultural Other		U4	Utility Small Tract
			U5	Utility Large Tract
C1	Commercial Improvement		U6	Utility Production/Stg/Aux
C3	Commercial Lot			
C4	Commercial Small Tract		W1	Environmentally Sensitive Imp
C5	Commercial Large Tract		W3	Environmentally Sensitive Lot
C9	Commercial Other		W4	Environmentally Sensitive Small Tract
			W5	Environmentally Sensitive Large Tract
I1	Industrial Improvement		W6	Environmentally Sensitive Prod/Stg/Aux
I3	Industrial Lot			
I4	Industrial Small Tract		SA	Agricultural Exemption (Preferential)
I5	Industrial Large Tract		SV	Conservation Use Exemption
I6	Industrial Other		SW	Environmentally Sensitive Exemption
			SH	Historical Exemption
H1	Historical Improvement		ST	Residential Transitional Exemption
H3	Historical Lot			
			J3	Forest Land Lot
P3	Preferential Lot		J4	Forest Land Small Tract
P4	Preferential Small Tract		J5	Forest Land Large Tract
P5	Preferential Large Tract			
P6	Preferential Production/Stg/Aux			

Mapping and Aerial Photography
Sources of Photography

1. U.S. Government
   a. ASCS Offices
      Aerial Photography Division
      ASCS – USDA
      2505 Perley's Way
      Salt Lake City, Utah 84109

   b. U.S. Forest Service
      Chief, Forest Service
      U.S. Dept. Of Agriculture
      Washington, D. C. 20250

   c. Soil Conservation Service
      Soil Conservation Service
      Cartographic Division
      U. S. Dept. of Agriculture
      Hyattsville, Maryland 20251

The Necessity of New Photography
Do not use 3 to 5 year-old photography.

Technical Specification for Aerial Photography
Obtaining quality photography is a part of the appraisal program often overlooked, yet is extremely important in obtaining reliable rural forestland appraisals. While ground inspection is necessary, it can only be performed to a limited extent on each parcel. This places a great deal of responsibility on the ability of the photography to accurately render the variations in timber stand conditions and specie composition necessary to allow reliable interpretation. Do not depend entirely upon government agencies or commercial firms to supply with quality photography. The assessor should be in a position to request certain basic standards of quality. When contracting with a commercial firm, specifications for the flight should take the form of a contract. Items to be included may include the following.

1. Business Arrangements. These include such items as the cost of the aerial survey, re-flights, cancellation privileges, schedules for delivery and payments, and ownership and storage of negatives.
2. Area to be photographed. Includes location, size and boundaries. These are ordinarily indicated on flight maps supplied by purchaser.

3. Type of photographic film. Panchromatic or infrared film depending upon the season of the year.
4. Negative scale. Maximum scale deviation normally allowed is _____
5. Position of flight line. Lines are to be parallel, oriented in correct compass direction, and within a stated distance from positions drawn on flight maps.
6. Overlap. Usually set at 55 to 65 percent (averaging 60%) along the line of flight and 15 to 45 percent (averaging 30%) between adjacent lines. At the ends of each flight line, two photo centers should fall outside tract boundary line.
7. Print alignment. Crab or drift is not to affect more than 10% of the print width for any three consecutive photographs.
8. Tilt. Should not exceed 2 or 3 degrees for a single exposure, not average more than 1 degree for the entire project.
9. Time of photography. During the middle of the day when shadows will be less prominent. Panchromatic film should be used in winter months when deciduous trees are bare (Nov. 15 to March 15), depending upon leaf fall or leaf development in the spring. Infrared should be used in early spring after new leaves have formed but before they have fully developed – range from March 15 to May 30 depending upon latitude within the state.
10. Film processing. Type of photographic paper, single weight, double weight, finish (glass or matte) and degree of contrast.
11. Quality of prints or negatives. Should be free of stains, scratches. Also no cloud cover, hot spots or sunspots.
12. Materials to be delivered. How many sets of prints, size of photos, and number of indexes.
13. Ownership of negatives. Commercial firms usually retain negatives unless otherwise specified.
14. Assessing print quality. Should usually be performed by the appraiser using the photographs unless a staff member is sufficiently skilled in evaluating photo quality.

Mylars vs. Photo Prints.

1. Mylars: Advantages.
   a. Easily reproduced in office.
   b. More durable, therefore can be erased and updated more easily.
   c. Sale of blue-line prints is a source of income to the tax office.
2. Mylars: Disadvantages.
   a. Poor Quality. Not usable for forestland appraisals.
   b. Physical features such as roads, etc. less apparent.
   c. Higher initial cost.
3. Photo Prints (Photographic prints from negatives): Advantages.
   a. Quality usually sufficient to allow reliable forestland appraisals.

   b. Physical features: Use lines such as hedgerows, fence lines are more readily apparent.
4. Photo Prints. Disadvantages.
   a. Less durable.
   b. Appraiser's field notes often interfere with property line maintenance.
   c. Maintenance of "splits", etc. is more difficult.
5. Cost: A range from $3,500 to $8,500 depending upon the size of the county and the amount of low altitude photography required.
6. Samples available for review.

Photo print produced from Mylar.

Land Identification
Maps as Assessment Tools.

1. Need to discover real property.
2. Land often must be valued separately from improvements.
3. Need for flexibility and versatility.
4. Maintenance problems.

Legal Descriptions.

1. Metes and Bounds.
   a. Earliest form of land identification with physical landmarks as reference points and boundaries.
   b. Later, incorporated with surveying.
2. Rectangular Survey.
   a. Principal meridians and base lines established.
   b. Division into squares of equal areas called townships and further divided into sections.
   c. Discrepancies put into western sections.
3. Lot and Block
   a. Subdivisions of metes and bounds.
   b. Numerical delineation in the sub-categories.

Parcel Identifiers.
Reduces legal descriptions to numerical expressions.

1. Map – page identifiers.
2. Geocodes.
   a. Coordinate system with reference point.
   b. Easily maintained.

B. Surveying Methods.

1. Field surveys.
2. Photo-assisted surveys (Photogrammetry).

Major Points of Land Identification

1. Assessment maps have a multiplicity of uses and users. They provide the assessor with the location and delineation of land and can also be legal descriptions.
2. The three generally used systems of land identification are:
    a. *Metes and Bounds* describes land based on semi-permanent physical features or monuments.
    b. The *rectangular survey system* is based upon range or township divisions located with respect to a point of origin through which principal meridians and base lines pass.
        1. A township or range is approximately six miles square and is further broken down into sections one mile square.
        2. Discrepancies due to the curvature of the earth are put into the western and northern sides of the township.
    c. The lot and block system references land units to an official map in the jurisdiction.
3. There are two basic survey methods:
4. Geocode parcel identifiers are referenced by a grid system to a point on a coordinate plane.
5. Maps and identification systems should be flexible in design

.

Important Terms

Site
Lot and Block
Parcel
Longitude
Metes and Bounds
Latitude
Rectangular Survey
Coordinates
Section
Geocodes
Township
Photogrammetry
Range

Land Identification and Assessment Mapping

The assessor must deal with a wide variety of appraisal related data. It is therefore advantageous to utilize tools that provide methods for modern and efficient presentation of

these data. An assessment map is such a tool. It can be used to give tangible meaning in visual form to land-related data such as the location and limits of each individual appraisal unit. It may also be used to depict land use, socioeconomic patterns, sales data, school districts, legal ownership, or any other desired data conglomerations. These data are of primary importance to assessors for they have been given the responsibility of making equitable appraisals on all property within their jurisdiction; however, without maps, they cannot be sure all property has been discovered and appraised. It is therefore necessary for the assessor to foster the development of assessment mapping in order to fulfill this responsibility.

Legal Descriptions

Assessment maps provide the assessor the location and delineation of legal land descriptions for the purpose of appraisal. All legal descriptions of land are based on surveys that may be purely visual or highly mathematical recitations of the limits of the land. Assessment maps are therefore the net result of delineating the variety of methods used to describe the land. The following are land identification systems commonly in use.

Metes and Bounds.

The earliest form of land description was the “bounded” description. This type of description totally disregarded the regularity or permanence of the land unit. It was often thought sufficient if land was described by naming adjacent property owners and / or features of the terrain. For example, “bounded on the north by French Creek, bounded on the east by the land of Ezra Jones, bounded on the south by a wooden fence, and bounded on the west by a line of trees”. Little though was given to the fact that a wooden fence or a line of trees would someday cease to exist.

As the land became more valuable and disputes over unclear “bounds” became more numerous, it was apparent that better methods were needed to describe the land. A general surveying practice began to evolve which took into consideration the compass direction and distances along and between these bounds. Boundaries of property being described in this manner were said to be described by “metes and bounds”. Metes meaning measurements and bounds meaning boundaries that included features of the terrain in conjunction with compass bearings and distances.

Rectangular Survey (Section, Township, and Range).

The rectangular survey system is based upon existing law and was devised with the object of marking upon the ground and fixing for all time legal subdivisions for purposes of description and disposal of the public domain under the general land laws of the United States.

An ordinance passed in May 1785 was the first of many to be passed by Congress that would regulate the surveying, marking, and disposing of public lands in the United States in accordance with the rectangular survey system. The original ordinance called for the establishment of townships six miles square, each containing 36 sections, and each section being one mile square. The first divisions of land in accordance with the foregoing ordinance were those north of the Ohio River.

Surveys of the rectangular system are located with respect to an initial point or origin (usually a prominent geographic feature) through which pass true meridians and parallels of latitude respectively called principal meridians and baselines. The principal meridian is a true north-south line that passes through the geographic poles of the earth while the baseline is a line that runs east and west parallel to the equator.

Once a principal meridian and baseline have been established, additional divisions are created. This is accomplished by establishing townships that are approximately six miles square. Each six-mile division, either north or south of the baseline, is called a township north or a township south. Each six-mile division either east or west of the principal meridian is called a range east or range west. Each township and range is further divided into 36 sections each approximately one mile square. In the United States, the sections are numbered consecutively, beginning with the section at the northeast corner of each township and continuing west to the northwest corner. Then the sequence of numbers drops down one row and runs back east, and so on until the entire township is numbered, with Section 36 in the southeast corner. In Canada, the numbering system begins at the southeast corner of the township and ends at the northeast corner. The divisions of areas of the rectangular survey system are approximate because of the convergence of meridians toward the poles. This often results in irregular sized townships and sections. This discrepancy, as well as others due to errors in measurement or alignment, is thrown into the most westerly half of the township. Shortages in acreage are thus found on the west and north sides of townships. They become evident in fractional sections and in subdivisions of fractional sections. A full explanation of this matter may be found in the "Manual of Instructions for the Survey of the Public Lands of the United States" issued by the Superintendent of Documents, Washington, D.C.

As can be seen in the following description, further divisions can be made by reference to the halves and quarters of a section – "The NE¼ of the NE¼ of the NW½ of the NW¼ of Section 14,

Township 2, South, Range 3, West…" In analyzing this description, it is necessary to note that the first ¼ section (the NE¼) mentioned is the property of primary interest and all subsequent mention of ¼ sections relates only to the divisions necessary to locate the property. The key to the foregoing description is found in reading it backwards. By progressively delineating it in this manner, we have now solved the location of the descriptions within the given section.

Non Irrigated Yields for Crop and Pasture
Burke County Soil Survey

The report below is contained within the NRCS download information. Yields below are for non-irrigated soils. Yields are those that can be expected under a high level of management. Absence of a yield indicates that the soil is not suited to the crop or the crop generally is not grown on the soil.

Nonirrigated Yields by Map Unit Component

Burke County, Georgia

[Yields are those that can be expected under a high level of management. They are for nonirrigated areas. Absence of a yield indicates that the soil is not suited to the crop or the crop generally is not grown on the soil. This report shows only the major soils in each map unit]

Map symbol and soil name	Land capability	Corn	Pasture	Soybeans	Wheat
		Bu	*AUM*	*Bu*	*Bu*
BoA:					
Bonifay	3s	50	---	24	---
BoC:					
Bonifay	4s	45	---	24	---
BoD:					
Bonifay	6s	---	---	---	---
CaB2:					
Carnegie	3e	67	---	31	---
CaC2:					
Carnegie	4e	55	---	28	---
CC:					
Chastain	6w	---	---	---	---
Tawcaw	6w	---	---	---	---
ChA:					
Chipley	3s	50	---	20	---
CnA:					
Clarendon	2w	125	---	45	45
CoB:					
Cowarts	2e	71	---	26	40

* (AUM) Animal-Unit-Month: The amount of forage or feed required to feed one animal unit (one cow, one horse, one mule, five sheep, or five goats) for 30 days.

Additional reporting information for Agricultural class soils is also needed in order to perform the conversion. Below is a report which indicates the potential for flooding on soils found within a county.

Water Features

Burke County, Georgia

[Depths of layers are in feet. See text for definitions of terms used in this table. Estimates of the frequency of ponding and flooding apply to the whole year rather than to individual months. Absenc an entry indicates that the feature is not a concern or that data were not estimated. This report shows only the major soils in each map unit]

Map symbol and soil name	Hydrologic group	Surface runoff	Months	Water table		Ponding			Flooding	
				Upper limit	Lower limit	Surface water depth	Duration	Frequency	Duration	Frequen
				Ft	*Ft*	*Ft*				
BoA:										
Bonifay	A	---	January	4.0-5.0	4.5-5.5	---	---	None	---	None
			February	4.0-5.0	4.5-5.5	---	---	None	---	None
			March	4.0-5.0	4.5-5.5	---	---	None	---	None
BoC:										
Bonifay	A	---	January	4.0-5.0	4.5-5.5	---	---	None	---	None
			February	4.0-5.0	4.5-5.5	---	---	None	---	None
			March	4.0-5.0	4.5-5.5	---	---	None	---	None
BoD:										
Bonifay	A	---	January	4.0-5.0	4.5-5.5	---	---	None	---	None
			February	4.0-5.0	4.5-5.5	---	---	None	---	None
			March	4.0-5.0	4.5-5.5	---	---	None	---	None
CaB2:										
Carnegie	C	Low	Jan-Dec			---	---	None	---	None
CaC2:										
Carnegie	C	Low	Jan-Dec			---	---	None	---	None

Forestland Productivity
Burke County Soil Survey

Below is the report used to obtain the Site Index for Loblolly pine timber for soil types found within a county. The site index is further adjusted for seedling mortality and equipment limitation using the factor adjustments on the previous pages. The absence of an entry indicates that information was not available.

Forestland Productivity

Burke County, Georgia

[This report shows only the major soils in each map unit]

Map symbol and soil name	Potential productivity			Trees to manage
	Common trees	Site index	Volume of wood fiber	
			Cu ft/ac	
BoA:				
Bonifay	Blackjack oak	—	0	Loblolly pine, Longleaf pine, Slash pine
	Loblolly pine	85	114	
	Longleaf pine	69	100	
	Post oak	—	0	
	Slash pine	85	157	
	Turkey oak	—	0	
BoC:				
Bonifay	Blackjack oak	—	0	Loblolly pine, Longleaf pine, Slash pine
	Loblolly pine	85	114	
	Longleaf pine	69	100	
	Post oak	—	0	
	Slash pine	85	157	
	Turkey oak	—	0	
BoD:				
Bonifay	Blackjack oak	—	0	Loblolly pine, Longleaf pine, Slash pine
	Loblolly pine	85	114	
	Longleaf pine	69	100	
	Post oak	—	0	
	Slash pine	85	157	
	Turkey oak	—	0	
CaB2:				
Carnegie	Loblolly pine	86	129	Loblolly pine, Longleaf pine, Slash pine
	Longleaf pine	72	86	
	Slash pine	86	157	
CaC2:				
Carnegie	Loblolly pine	86	129	Loblolly pine, Slash pine
	Longleaf pine	72	86	
	Slash pine	86	157	

Seedling Mortality on Forestland (GA)

Burke County, Georgia

[The information in this table indicates the dominant soil condition but does not eliminate the need for onsite investigation. The numbers in the value columns range from 0.01 to 1.00. The larger the value, the greater the potential limitation. The columns that identify the rating class and limiting features show no more than five limitations for any given soil. The soil may have additional limitations. This report shows only the major soils in each map unit]

Map symbol and soil name	Pct. of map unit	Potential for seedling mortality	
		Rating class and limiting features	Value
BoA:			
Bonifay	100	Low	
BoC:			
Bonifay	100	Low	
BoD:			
Bonifay	100	Low	
CaB2:			
Carnegie	80	Low	
CaC2:			
Carnegie	80	Low	
CC:			
Chastain	65	High	
		Wetness	1.00
Tawcaw	35	High	
		Wetness	1.00
ChA:			
Chipley	95	Low	
CnA:			
Clarendon	100	Low	
CoB:			
Cowarts	80	Low	

Forestland Planting and Harvesting

Burke County, Georgia

[The information in this table indicates the dominant soil condition but does not eliminate the need for onsite investigation. The numbers in the value columns range from 0.01 to 1.00. The larger the value, the greater the potential limitation. The columns that identify the rating class and limiting features showno more than five limitations for any given soil. The soil may have additional limitations. This report shows only the major soils in each map unit]

Map symbol and soil name	Pct. of map unit	Suitability for hand planting		Suitability for mechanical planting		Suitability for use of harvesting equipment	
		Rating class and limiting features	Value	Rating class and limiting features	Value	Rating class and limiting features	Value
BoA:							
Bonifay	100	Moderately suited		Moderately suited		Moderately suited	
		Sandiness	0.50	Sandiness	0.50	Sandiness	0.50
BoC:							
Bonifay	100	Moderately suited		Moderately suited		Moderately suited	
		Sandiness	0.50	Slope	0.50	Sandiness	0.50
				Sandiness	0.50		
BoD:							
Bonifay	100	Moderately suited		Moderately suited		Moderately suited	
		Sandiness	0.50	Slope	0.50	Sandiness	0.50
				Sandiness	0.50		
CaB2:							
Carnegie	80	Well suited		Well suited		Well suited	
						Dusty	0.03
CaC2:							
Carnegie	80	Poorly suited		Poorly suited		Well suited	
		Stickiness; high plasticity index	0.75	Stickiness; high plasticity index	0.75	Dusty	0.03
				Slope	0.50		
CC:							
Chastain	65	Moderately suited		Moderately suited		Moderately suited	
		Stickiness; high plasticity index	0.50	Stickiness; high plasticity index	0.50	Lowstrength	0.50
						Dusty	0.20
Tawcaw	35	Moderately suited		Moderately suited		Moderately suited	
		Stickiness; high plasticity index	0.50	Stickiness; high plasticity index	0.50	Lowstrength	0.50
						Dusty	0.20

Soil Type Productivity Rating Calculation Examples

Using the information above, calculate the woodland soil productivity rating for the soil type identified as BoA (Bonifay).

- Site Index (Loblolly Pine) = 85
- Seedling Mortality = Slight
- Equipment Limitation = Moderate
- Adjusted Site Index = Site Index * Seed Mort Factor * Equip Limit Factor
- Adjusted Site Index = 85 * 1.00 * .90
- Adjusted Site Index = 76.50 or 77
- Woodland Productivity Rating for BoA soil = 5 (per lookup in Woodland Productivity Rating Chart)

Using the information above, calculate the woodland soil productivity rating for the soil type identified as CaC2 (Carnegie).

- Site Index (Loblolly Pine) = 86
- Seedling Mortality = Slight
- Equipment Limitation = Slight
- Adjusted Site Index = Site Index * Seed Mort Factor * Equip Limit Factor
- Adjusted Site Index = 86 * 1.00 * 1.00
- Adjusted Site Index = 86

Woodland Productivity Rating for CaC2 soil = 2 (per lookup in Woodland Productivity Rating Chart)

Developing the Small Acre Break Point

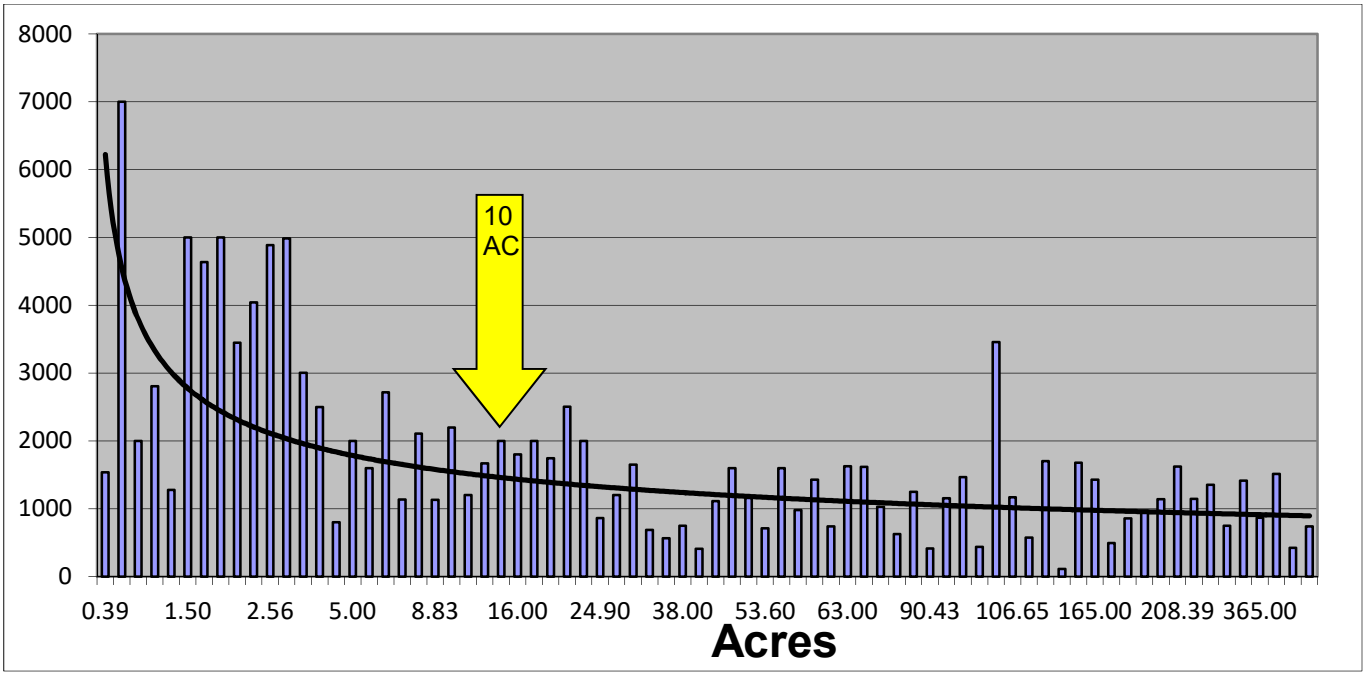
The small acre break point is the acre level at which buyers begin looking more to productivity of the soil and timber value than the other factors such as, accessibility (location), desirability, as it relates to a use other than agricultural, and size. In other words, it is where small parcel valuation ends.

All rural land parcels with total acreage greater than the small acre break point will be valued with the large tract schedule. All rural land parcels with total acreage less than or equal to the small acre break point must be valued with the small parcel schedule.

Determination of the small acre break point is accomplished by plotting sales of rural properties – both small and large tracts – on a graph with $/Acre on the vertical axis and # of Acres on the horizontal axis. A "trend" line is then drawn through the plotted sales on the graph, and the point (acreage level) at which the line's slope is changed becomes the break point.
In the absence of adequate sales to create a small acre break point, the appraiser may select an acreage between 5.00 and 25.00 and offer the acreage to the Board of Assessors as the small acre break point.

After the small acre break point is established, the appraiser can separate the sales into their respective rural land category, small tracts and large tracts. The analysis for each category will be performed in a different manner making it necessary to segregate the rural land sales.

On the following page is a graph of the $/Acre to Acreage relationship in a county which was used to determine a small acre break point of 20.00 acres.



Constructing a Base Large Tract Schedule

1. Locate Sales – Office of Clerk of Superior Court.

2. Sales Research – Gather on an appropriate form the following data (See sales data form enclosed).
   - Name of buyer and seller
   - Date of sale
   - Acreage
   - Verification of sale price if possible
   - Location
   - Neighborhood
   - Occupation and motives of buyer and seller
   - Other considerations
   - Improvements
   - Timber valuation
   - Characteristics of land – Open, woodland, topography, quality, etc.

About 20 to 40 sales over 30 acres in size occurring over a 2-year period should be obtained, if possible. Approximately 50 to 100 small tract sales below 30 acres are needed to develop a small tract schedule.

3. Preliminary Validation of Sales.

4. Locate Valid Sales on Photographs.

5. Construct an Index Map Showing Location of all Sales. (See Example).

6. Field Review and Classification (See Example).
   - Use Basic Schedule.

7. Determine Acreage in Each Classification for Every Sale and Tabulate Information on an Appraisal Worksheet (See Example).

8. Review, Study, and Analyze.

   a. Validate Sales in View of Field Review.

   b. Study Price Trend Based on Size, Location, Etc.

   c. Determine "Bare Land" Value by Extracting Improvements, Timber Value, Etc. Tabulate the Information on Form entitled "Sales Analysis Worksheet".

   d. Isolate "Benchmark Sales."

   e. Construct Graphs, Locational Charts, and Use Other Forms of Analysis to Determine the Bare Land Value by Grades or Quality Classes.

   f. Apply Values to Initial Appraisal Schedule.

9. Make a "Trial Run" at Appraising Sales Based on Values on Appraisal Schedule.

10. Analyze Results of Appraisals.

11. Adjust Values on Schedule and Reappraise Sales until a Satisfactory Degree of Accuracy is obtained.

Sample Large Tract Base Schedule
County A

OPEN LAND (Cultivated and Pasture)		
Code	Value/Acre	Definition of Code
A1	800	Best. Normally used for cultivations, well drained, level to gently sloping.
A2	700	Good. Used for cultivation or pasture, gently sloping, well drained productive soils. May include area such as hedgerow or wet areas, such areas shall not exceed 15% of total area.
A3	600	Fair to Poor, Cultivated land, best suited for pasture, shallow topsoil or very sandy soil, or steep.
A4	500	Very Poor, Rough land heavily interspersed with wet drains, extremely deep sand, stumps, mostly unsuitable for tending with mechanized equipment.
WOODLAND		
Code	Value/Acre	Definition of Code
W1	400	Excellent, level to very gently sloping topography, suitable for clearing and cultivation as Class I or II. 95% of area suitable for site preparation or tree planting.
W2	300	Average woodland with 80% of area suitable for site preparation and tree planting, or possibly yielding 50-70% of area suitable for clearing as cultivated land.
W3	200	Small hardwood branches, extremely sandy soils, generally unsuitable for farming activity, limited to possibly 25-35% of area suitable for site preparation and tree planting.
W4	150	Large creek swamps, bottomland hardwood areas, suitable for hardwood timber production only.
W5	50	Unproductive – land recognized locally as extremely low value, including tupelo ponds, thick black gum ponds in swamp land, etc.

ORCHARDS		
Code	**Value/Acre**	**Definition of Code**
OR1	700	Highly productive, well maintained on Class I or II land.
OR2	575	Moderately productive, moderately well maintained Class I or II land.
OR3	450	Low productive characteristics possibly over mature orchard or neglected.

PONDS		
_P1_	**_P2_**	**_P3_**
1000	850	500

Sample Timber Appraisal Schedule

County A

Pre-merchantable Stands	
Value/Acre	**Description**
0	Cutover, no value.
$25	Poor natural pine reproduction.
$40	Good natural pine reproduction.
$50	Planted pine (slash) below 10 ft. in height.
$75	Planted pine (slash) 10 to 20 ft. in height.
$125	Planted pine (slash over 20 ft. but still pre-merchantable or with a non-thinned volume below 12 cords per acre.

Merchantable Stand - Pine					
Pulpwood Stand $18/Cord			**Chip-n-saw $35/Cord**		
G1	3-6 cds./ac.	= $ 80/ac	**G2**	3-6 cds./ac.	= $ 160/ac
H1	7-12 cds./ac.	= $170/ac	**H2**	7-12 cds./ac.	= $ 335/ac
I1	13-18 cds./ac.	= $280/ac	**I2**	13-18 cds./ac.	= $ 545/ac
J1	19-26 cds./ac.	= $450/ac	**J2**	19-26 cds./ac.	= $ 790/ac
K1	27-35 cds./ac.	= $560/ac	**K2**	27-35 cds./ac.	= $ 1,085/ac
L1	35 + cds./ac.	= $700/ac	**L2**	35 + cds./ac.	= $ 1,365/ac

Saw Timber Stand - $55/Cord			**Hardwood Value - $60/MBF**		
G3	3-6 cds./ac.	= $ 250/ac	**HD1**	Less than 1,000 BF/ac.	= $ 45/ac
H3	7-12 cds./ac.	= $ 525/ac	**HD2**	1,000 – 2,000 BF/ac.	= $ 90/ac
I3	13-18 cds./ac.	= $ 855/ac	**HD3**	2,000 – 4,000 BF/ac.	= $180/ac
J3	19-26 cds./ac.	= $,1240/ac	**HD4**	4,000 – 7,000 BF/ac.	= $330/ac
K3	27-35 cds./ac.	= $1,705/ac			
L3	35 + cds./ac.	= $2,145/ac			

Sales Verification Exercise

Burke County Board of Tax Assessors
P.O. Box XX

Waynesboro GA 30830

Phone:(706)554-xxxx Fax :(706)554-xxxx Email xxxxxx@burkecounty-ga.gov

5/27/2017 **Current Sales Questionnaire**

JOSEPH P SIMMONS	**Legal Desc**	**125.96 AC**
501 S VICTORY DR	**Map ID**	**092 023A**
WAYNESBORO GA 308300000	**Total Acres**	**125.96 AC**

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ARE THE BUYER & SELLER RELATED OR AFFILIATED? YES / NO IF YES, RELATION SOLD TO GRADY JONES SIMMONS JR

IN YOUR OPINION, WAS THIS AN ARMS-LENGTH TRANSACTION REPRESENTATIVE OF FAIR MARKET VALUE?

YES /NO IF NO, WHY NOT? _____

DID THE SALE INVOLVE ANY PERSONAL PROPERTY? (i.e.: BOAT, TRACTOR, CENTER PIVOT IRRIGATION, INVENTORY, ETC.) YES / NO VALUE $50K

PIVOT

WERE ANY TRADES OR EXCHANGES MADE IN ADDITION TO THE SALE PRICE? YES / NO VALUE $_____

WAS THERE ANY OWNER FINANCING IN THE SALE? YES / NO

IF YES, DOWN PAYMENT $15K # OF YEARS FINANCED 10 % INTEREST RATE 8.5%

PURSUANT TO O.C.G.A 48-5-7.5 TIMBER IS EXEMPT UNTIL IT IS HARVESTED OR SOLD. PLEASE PROVIDE TIMBER INFORMATION IF CONSIDERED IN THE SALE.

ESTIMATED TIMBER VALUE $_____

IF TIMBER CRUISE PERFORMED, CRUISE VALUE $_____

IF TIMBER IS PRE-MERCHANTABLE ESTIMATED AGE 25 ACS 11 YEAR OLD PLANTED PINE

PRODUCT CLASS	VOLUME(TONS)
SOFTWOOD PULPWOOD	_____
SOFTWOOD CHIP-N-SAW	_____
SOFTWOOD SAW TIMBER	_____
SOFTWOOD POLES	_____
SOFTWOOD POSTS	_____
SOFTWOOD FUEL CHIPS	_____
HARDWOOD PULPWOOD	_____
HARDWOOD SAW TIMBER	_____
HARDWOOD FIREWOOD	_____

DID YOU PURCHASE THIS PROPERTY FOR AGRICULTURAL USE? YES / NO

DOES THIS PROPERTY ADJOIN PROPERTY ALREADY OWNED BY YOU? YES / NO

WERE THERE ANY OTHER CONSIDERATIONS IN THIS SALE? YES / NO

IF YES, WHAT? JOHN DEERE 4020 TRACTOR, BUSH HOG AND HARROW

WHAT WAS THE PURCHASE PRICE OF THE PROPERTY? $257,850

(If the PT61 showed no consideration, please include your closing statement in order for the purchase price to be considered as the taxable value for one year on arm length transactions.)

HAS ANY REMODELING/RENOVATION OCCURRED, OR IS ANY PLANNED TO OCCUR, TO ANY IMPROVEMENT(S) ON THIS PROPERTY? YES / NO

Current Sales Information

Code	Previous Owner	Property Use	Sale Price	Deed Date	Deed Ref	Plat Ref
ALT/LAND MKT		A	257,850	06/12/16	213 347	6/156

Burke County Board of Tax Assessors
P.O. Box XX

Waynesboro GA 30830

Phone:(706)554-xxxx Fax :(706)554-xxxx Email xxxxxx@burkecounty-ga.gov

5/10/2017

Current Sales Questionnaire

H E SOLDIT	Legal Desc	500.23 AC
2015 BOOGER BOTTOM RD	Map ID	102 021
WAYNESBORO GA 308300000	Total Acres	500.23 AC

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ARE THE BUYER & SELLER RELATED OR AFFILIATED? YES / NO IF YES, RELATION SOLD TO I DUNN DUNIT

IN YOUR OPINION, WAS THIS AN ARMS-LENGTH TRANSACTION REPRESENTATIVE OF FAIR MARKET VALUE?

YES /NO IF NO, WHY NOT? _____

DID THE SALE INVOLVE ANY PERSONAL PROPERTY? (i.e.: BOAT, TRACTOR, CENTER PIVOT IRRIGATION, INVENTORY, ETC.) YES / NO VALUE $10K

JOHN DEERE 5025E TRACTOR AND 6 FT ROUND BALER

WERE ANY TRADES OR EXCHANGES MADE IN ADDITION TO THE SALE PRICE? YES / NO VALUE $_____

WAS THERE ANY OWNER FINANCING IN THE SALE? YES / NO

IF YES, DOWN PAYMENT __ # OF YEARS FINANCED _____ % INTEREST RATE _

PURSUANT TO O.C.G.A 48-5-7.5 TIMBER IS EXEMPT UNTIL IT IS HARVESTED OR SOLD. PLEASE PROVIDE TIMBER INFORMATION IF CONSIDERED IN THE SALE.

ESTIMATED TIMBER VALUE $_____

IF TIMBER CRUISE PERFORMED, CRUISE VALUE $_____

IF TIMBER IS PRE-MERCHANTABLE ESTIMATED AGE _____

PRODUCT CLASS	VOLUME(TONS)
SOFTWOOD PULPWOOD	500
SOFTWOOD CHIP-N-SAW	1200
SOFTWOOD SAW TIMBER	230
SOFTWOOD POLES	125
SOFTWOOD POSTS	
SOFTWOOD FUEL CHIPS	
HARDWOOD PULPWOOD	
HARDWOOD SAW TIMBER	
HARDWOOD FIREWOOD	

DID YOU PURCHASE THIS PROPERTY FOR AGRICULTURAL USE? YES / NO

DOES THIS PROPERTY ADJOIN PROPERTY ALREADY OWNED BY YOU? YES / NO

WERE THERE ANY OTHER CONSIDERATIONS IN THIS SALE? YES / NO

IF YES, WHAT? _____

WHAT WAS THE PURCHASE PRICE OF THE PROPERTY? $865

(If the PT61 showed no consideration, please include your closing statement in order for the purchase price to be considered as the taxable value for one year on arm length transactions.)

HAS ANY REMODELING/RENOVATION OCCURRED, OR IS ANY PLANNED TO OCCUR, TO ANY IMPROVEMENT(S) ON THIS PROPERTY? YES / NO

Current Sales Information

Code	Previous Owner	Property Use	Sale Price	Deed Date	Deed Ref	Plat Ref
ALT/LAND MKT		A	865,537	01/10/16	132 651	6/112

Burke County Board of Tax Assessors
P.O. Box XX

Waynesboro GA 30830

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6/2/2017

Current Sales Questionnaire

IVANA TIMBER LLC	Legal Desc	900.15 AC
6342 LICKSKILLET RD	Map ID	001 003
WAYNESBORO GA 308300000	Total Acres	900.15 AC

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ARE THE BUYER & SELLER RELATED OR AFFILIATED? YES / NO IF YES, RELATION PURCHASED FROM BUCKCREEK FARMS LLC

IN YOUR OPINION, WAS THIS AN ARMS-LENGTH TRANSACTION REPRESENTATIVE OF FAIR MARKET VALUE?

YES /NO IF NO, WHY NOT? _____

DID THE SALE INVOLVE ANY PERSONAL PROPERTY? (i.e.: BOAT, TRACTOR, CENTER PIVOT IRRIGATION, INVENTORY, ETC.) YES / NO VALUE $15K

POLARIS RANGER AND 2 HONDA FOUR WHEELERS

WERE ANY TRADES OR EXCHANGES MADE IN ADDITION TO THE SALE PRICE? YES / NO VALUE $_____

WAS THERE ANY OWNER FINANCING IN THE SALE? YES / NO

IF YES, DOWN PAYMENT __ # OF YEARS FINANCED _____ % INTEREST RATE _

PURSUANT TO O.C.G.A 48-5-7.5 TIMBER IS EXEMPT UNTIL IT IS HARVESTED OR SOLD. PLEASE PROVIDE TIMBER INFORMATION IF CONSIDERED IN THE SALE.

ESTIMATED TIMBER VALUE $ 332,000

IF TIMBER CRUISE PERFORMED, CRUISE VALUE $_____

IF TIMBER IS PRE-MERCHANTABLE ESTIMATED AGE _____

PRODUCT CLASS	VOLUME(TONS)
SOFTWOOD PULPWOOD	_____
SOFTWOOD CHIP-N-SAW	_____
SOFTWOOD SAW TIMBER	_____
SOFTWOOD POLES	_____
SOFTWOOD POSTS	_____
SOFTWOOD FUEL CHIPS	_____
HARDWOOD PULPWOOD	_____
HARDWOOD SAW TIMBER	_____
HARDWOOD FIREWOOD	_____

DID YOU PURCHASE THIS PROPERTY FOR AGRICULTURAL USE? YES / NO

DOES THIS PROPERTY ADJOIN PROPERTY ALREADY OWNED BY YOU? YES / NO

WERE THERE ANY OTHER CONSIDERATIONS IN THIS SALE? YES / NO

IF YES, WHAT? OLD FARM HOUSE AND BARN 30K VALUE REMODEL IN PROGRESS

WHAT WAS THE PURCHASE PRICE OF THE PROPERTY? $1.5 MILLION

(If the PT61 showed no consideration, please include your closing statement in order for the purchase price to be considered as the taxable value for one year on arm length transactions.)

HAS ANY REMODELING/RENOVATION OCCURRED, OR IS ANY PLANNED TO OCCUR, TO ANY IMPROVEMENT(S) ON THIS PROPERTY? YES / NO

Current Sales Information

Code	Previous Owner	Property Use	Sale Price	Deed Date	Deed Ref	Plat Ref
ALT/LAND MKT		A	1,502,357	03/26/16	162 631	10/112

Burke County Board of Tax Assessors
P.O. Box XX

Waynesboro GA 30830

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8/21/2017

Current Sales Questionnaire

COTTON COUNTRY FARMS	Legal Desc	652.58 AC
5684 KINGSNAKE RD	Map ID	067 045
WAYNESBORO GA 308300000	Total Acres	652.58 AC

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ARE THE BUYER & SELLER RELATED OR AFFILIATED? YES / NO IF YES, RELATION PURCHASED FROM COLLINS FARMS LLP

IN YOUR OPINION, WAS THIS AN ARMS-LENGTH TRANSACTION REPRESENTATIVE OF FAIR MARKET VALUE?

YES /NO IF NO, WHY NOT? _____

DID THE SALE INVOLVE ANY PERSONAL PROPERTY? (i.e.: BOAT, TRACTOR, CENTER PIVOT IRRIGATION, INVENTORY, ETC.) YES / NO VALUE 3 PIVOTS ESTIMATED AT 35K EACH, 2 JOHN DEERE 9976 COTTON PICKERS, 2 8420 JOHN DEERE TRACTORS, 2 KBH BALE SPEARS(ESTIMATED AT 450K)

WERE ANY TRADES OR EXCHANGES MADE IN ADDITION TO THE SALE PRICE? YES / NO VALUE $ HARVEST 350ACS OF COLLINS COTTON CROP_____

WAS THERE ANY OWNER FINANCING IN THE SALE? YES / NO

IF YES, DOWN PAYMENT __ # OF YEARS FINANCED _____ % INTEREST RATE _

PURSUANT TO O.C.G.A 48-5-7.5 TIMBER IS EXEMPT UNTIL IT IS HARVESTED OR SOLD. PLEASE PROVIDE TIMBER INFORMATION IF CONSIDERED IN THE SALE.

ESTIMATED TIMBER VALUE $_____

IF TIMBER CRUISE PERFORMED, CRUISE VALUE $_____

IF TIMBER IS PRE-MERCHANTABLE ESTIMATED AGE 50 ACS OF 8 YEAR OLD SLASH PINE_____

PRODUCT CLASS	VOLUME(TONS)
SOFTWOOD PULPWOOD	_____
SOFTWOOD CHIP-N-SAW	_____
SOFTWOOD SAW TIMBER	_____
SOFTWOOD POLES	_____
SOFTWOOD POSTS	_____
SOFTWOOD FUEL CHIPS	_____
HARDWOOD PULPWOOD	_____
HARDWOOD SAW TIMBER	_____
HARDWOOD FIREWOOD	_____

DID YOU PURCHASE THIS PROPERTY FOR AGRICULTURAL USE? YES / NO

DOES THIS PROPERTY ADJOIN PROPERTY ALREADY OWNED BY YOU? YES / NO

WERE THERE ANY OTHER CONSIDERATIONS IN THIS SALE? YES / NO

IF YES, WHAT? ____ _____

WHAT WAS THE PURCHASE PRICE OF THE PROPERTY? $995,000

(If the PT61 showed no consideration, please include your closing statement in order for the purchase price to be considered as the taxable value for one year on arm length transactions.)

HAS ANY REMODELING/RENOVATION OCCURRED, OR IS ANY PLANNED TO OCCUR, TO ANY IMPROVEMENT(S) ON THIS PROPERTY? YES / NO

Current Sales Information

Code	Previous Owner	Property Use	Sale Price	Deed Date	Deed Ref	Plat Ref
ALT/LAND MKT		A	995,000	04/26/16	235 485	12/12

Burke County Board of Tax Assessors
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Waynesboro GA 30830

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9/4/2017

Current Sales Questionnaire

PEANUT KING FARMS LLLP	Legal Desc	700.14 AC
963 PEANUTBUTTER LN	Map ID	094 009
WAYNESBORO GA 308300000	Total Acres	700.14 AC

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ARE THE BUYER & SELLER RELATED OR AFFILIATED? YES / NO IF YES, RELATION PURCHASED FROM COLLINS FARMS LLP

IN YOUR OPINION, WAS THIS AN ARMS-LENGTH TRANSACTION REPRESENTATIVE OF FAIR MARKET VALUE?

YES /NO IF NO, WHY NOT? _____

DID THE SALE INVOLVE ANY PERSONAL PROPERTY? (i.e.: BOAT, TRACTOR, CENTER PIVOT IRRIGATION, INVENTORY, ETC.) YES / NO VALUE 2 PIVOTS ESTIMATED AT 65K EACH, 2 8420 JOHN DEERE TRACTORS, 2 AMADAS 2100 PEANUT COMBINES, ONE KMC DUMP CART (ESTIMATED AT 550K)

WERE ANY TRADES OR EXCHANGES MADE IN ADDITION TO THE SALE PRICE? YES / NO VALUE $ HARVEST 400 ACS OF COLLINS PEANUT CROP

WAS THERE ANY OWNER FINANCING IN THE SALE? YES / NO

IF YES, DOWN PAYMENT __ # OF YEARS FINANCED _____ % INTEREST RATE _

PURSUANT TO O.C.G.A 48-5-7.5 TIMBER IS EXEMPT UNTIL IT IS HARVESTED OR SOLD. PLEASE PROVIDE TIMBER INFORMATION IF CONSIDERED IN THE SALE.

ESTIMATED TIMBER VALUE $_____

IF TIMBER CRUISE PERFORMED, CRUISE VALUE $_____

IF TIMBER IS PRE-MERCHANTABLE ESTIMATED AGE 100 ACS OF 10 YEAR OLD LONG LEAF PINE

PRODUCT CLASS	VOLUME(TONS)
SOFTWOOD PULPWOOD	_____
SOFTWOOD CHIP-N-SAW	_____
SOFTWOOD SAW TIMBER	_____
SOFTWOOD POLES	_____
SOFTWOOD POSTS	_____
SOFTWOOD FUEL CHIPS	_____
HARDWOOD PULPWOOD	_____
HARDWOOD SAW TIMBER	_____
HARDWOOD FIREWOOD	_____

DID YOU PURCHASE THIS PROPERTY FOR AGRICULTURAL USE? YES / NO

DOES THIS PROPERTY ADJOIN PROPERTY ALREADY OWNED BY YOU? YES / NO

WERE THERE ANY OTHER CONSIDERATIONS IN THIS SALE? YES / NO

IF YES, WHAT? 100 AC PINE STRAW LEASE WITH PRICKLE PINESTRAW

WHAT WAS THE PURCHASE PRICE OF THE PROPERTY? $1.75 MILLION

(If the PT61 showed no consideration, please include your closing statement in order for the purchase price to be considered as the taxable value for one year on arm length transactions.)

HAS ANY REMODELING/RENOVATION OCCURRED, OR IS ANY PLANNED TO OCCUR, TO ANY IMPROVEMENT(S) ON THIS PROPERTY? YES / NO

Current Sales Information

Code	Previous Owner	Property Use	Sale Price	Deed Date	Deed Ref	Plat Ref
ALT/LAND MKT		A	1,756,285	04/26/16	235 485	12/12

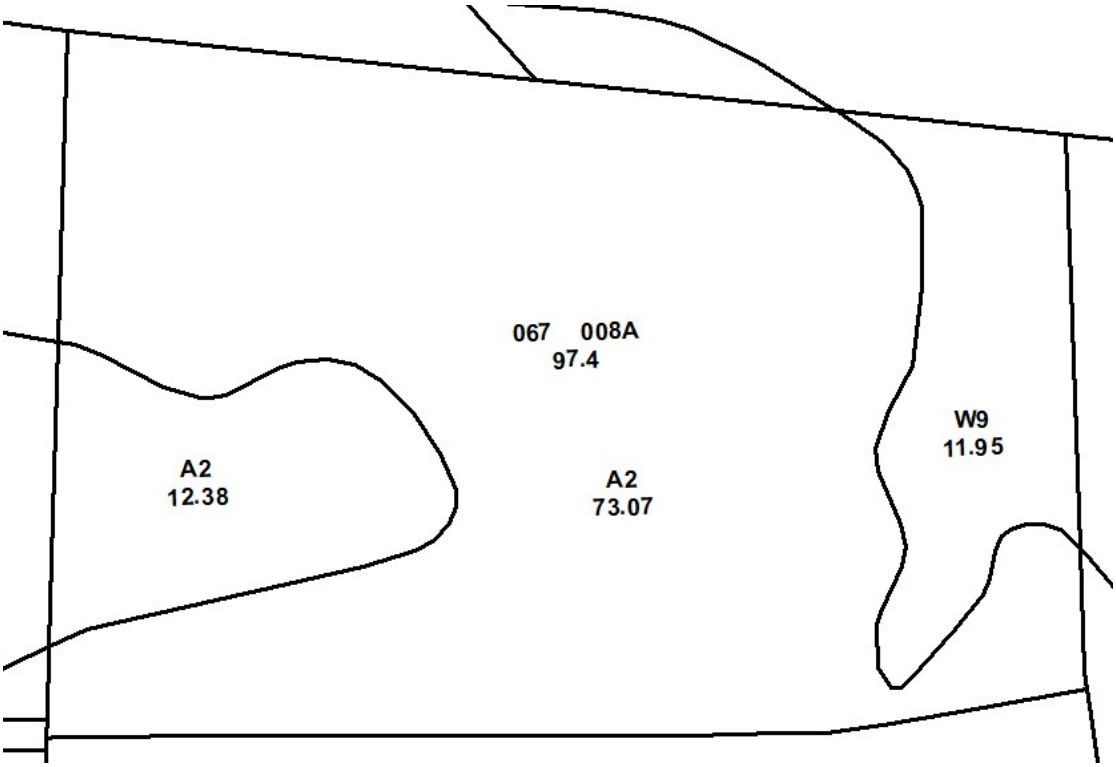
Large Tracts locate Benchmark Sales

In the process of building a large tract schedule it is imperative that the appraiser first identify as many benchmark sales for large acreage tracts. A benchmark sale, as pertaining to large tracts, is a sale whereby all characteristics of the land or a majority of the characteristics of the land are similar. In other words, large tract sales whereby all soil classes are the same, the use is all/majority one use (timber or crop production), or through predominant soil classifications found within the county. Below are some examples.

Sale of all of one soil class, A2 soil, sold for $500 per acre. A benchmark sale that indicates the value of A2 soil in this county is $500 per acre once a residual land sales price per acre is obtained ($50,000/100 AC).

A2 100	$50,000

Sale of a predominant soil class, A2, sold for $1200 per acre. A2 sales price per acre is determined using allocation method whereby the appraiser determines the sales price attributable to the A2 soil.

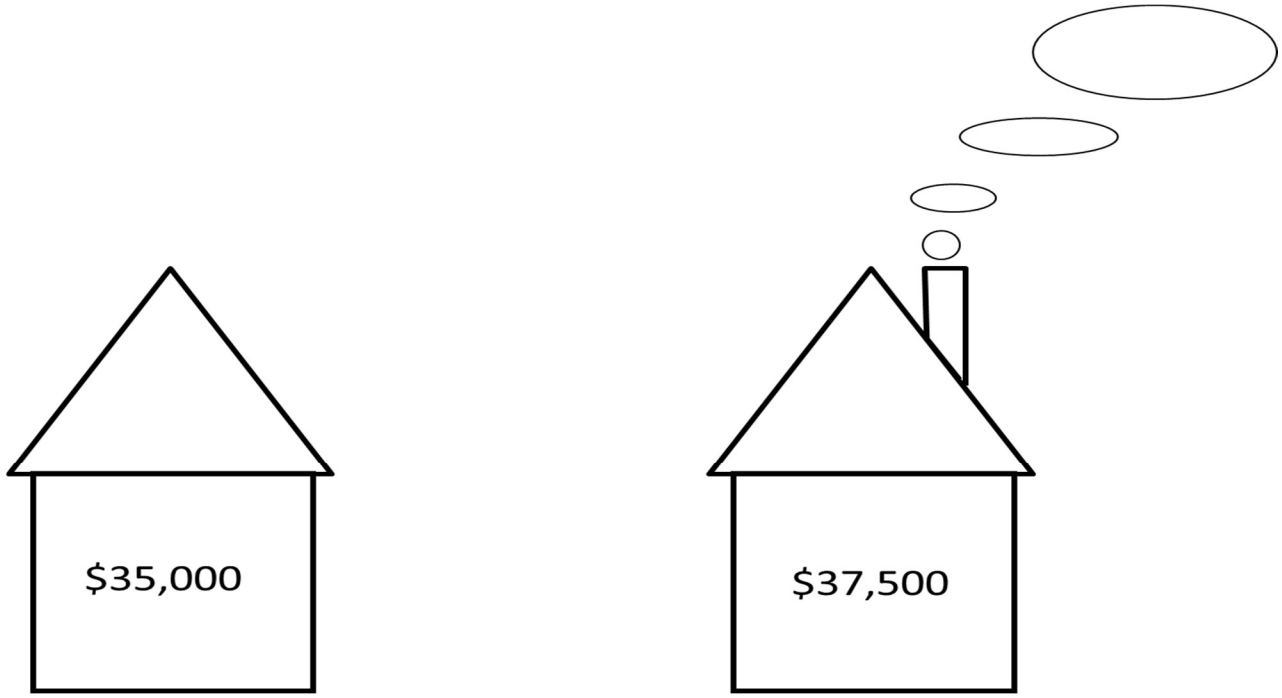


A2 Acres / Parcel Acres
85.45 / 97.40 = .8773
$117,926 x .8773 = $103,458 (Attributable to A2)
$103,458 / 85.45 = $1210.74 or $1200 per Acre for A2

Once benchmark sales have been identified and per acre values established for the soil classes found on the benchmark sales ($500 per acre example one OR $1200 per acre example 2) the appraiser should then use Paired Sales Analysis in order to determine other per acre values for the remaining soil classes within the schedule.

Paired Sales Analysis

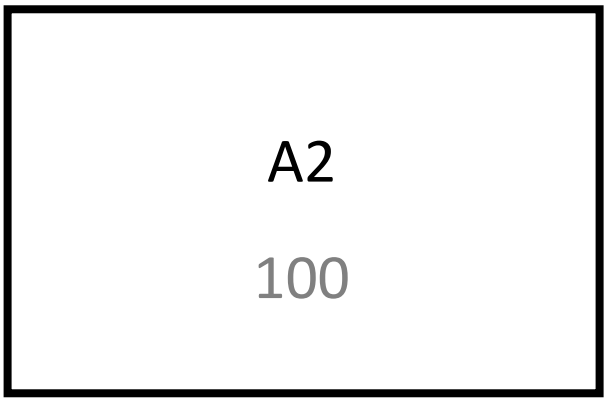
The APM defines paired sales analysis as the comparing of the sale prices of similar properties, some with and some without a particular characteristic, in order to determine what portion of the difference in sales price might be attributable to such characteristic. An example is shown below.



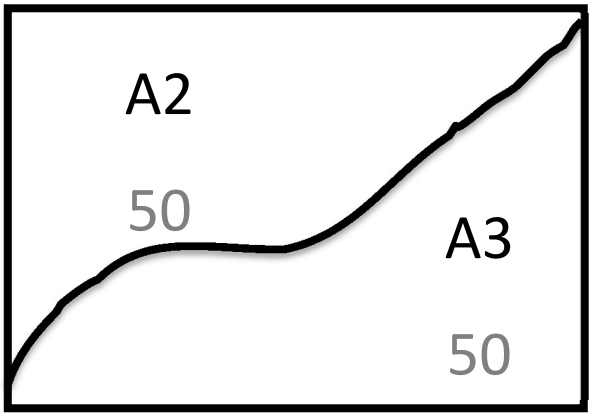
The example above depicts two houses that are identical in all aspects with one exception, the fireplace. The house that sold for 35K is a benchmark sale. Using paired sales analysis and knowing that these houses are identical in every way but one, the fireplace, should give the appraiser an indication of the value of the fireplace. In this case the value of the fireplace would be $2,500. The difference in the residual house sales prices is attributable to the value of the fireplace.

The same principle can be applied to large tracts of rural land. The appraiser should identify residual sales price per acre values of benchmark sales and then apply the residual benchmark per acre values to other sales with the same soil classes and others to determine what portion of the sales price is attributable to the other soil classes present on the parcel.

The example below uses the first benchmark identified in the previous pages.



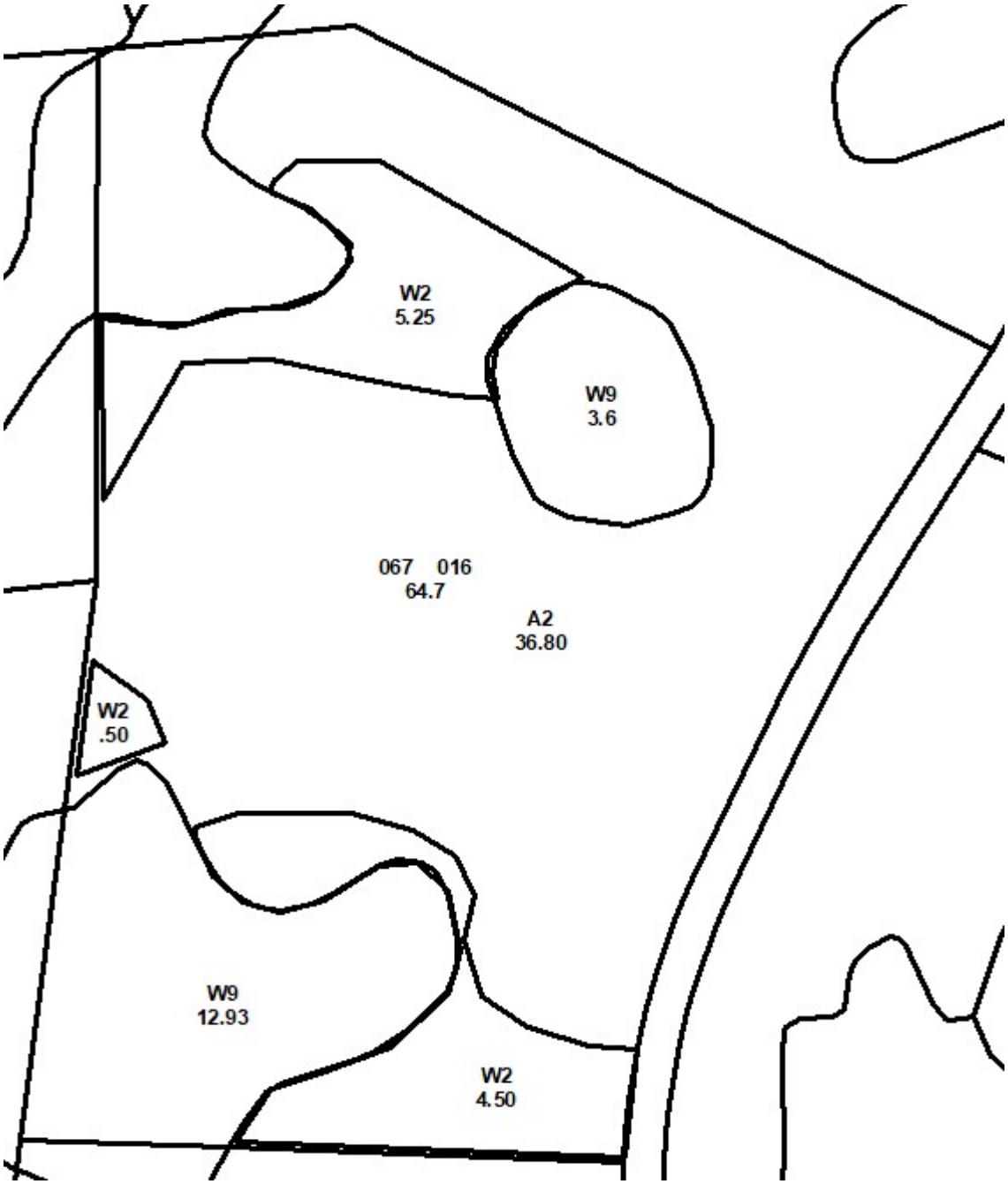
$50,000 / 100 $500 per acre



$40,000
A2 $500 per acre * 50 acres
A2 $25000
A3 $40000 – A2 $25000
A3 = $15000 / 50 acres
A3 = $300 per acre

The appraiser has now identified two soil classes base per acre values (A2 at $500 per acre and A3 at $300 per acre). Using these values per acre and the principal of paired sales analysis the appraiser can continue working through other large tract sales in order to arrive at the remaining soil classes per acre base values.

The example below uses benchmark values of A2 at $1200 per acre and W2 at $900 per acre.



W9 Contributory Value
54,625 – 44,160 – 9,000 = 1,465
1,465 / 16.53 = 88.63 or $100 p/Acre

Building Large Tract Base Schedules – Extraction of Timber Values

After all sales of rural land have been gathered and qualified, the appraiser must extract the value of all non-land items from the sales price. Non-land items will include but not be limited to, improvements, crop quotas or allotments, timber, personal property, etc.

In some situations, the appraiser may determine that the harvest value of timber had no bearing on the sales price. These situations will normally occur when the tract is not of a size where timber production would be a viable option. Usually, where timber production is not a viable option, the presence of trees does impact the value from an aesthetic standpoint and should be considered when assigning desirability codes.

In all cases where the market value of the standing timber contributed to the sales price, the appraiser must obtain the value of the timber and deduct it from the sales price. As discussed earlier in the course with regard to Rule 560-11-10-.09(3)(b)(2)(v) Standing Timber Value Extraction, there are two options available for obtaining the value of the timber:

- Reliable information from the buyer/seller
- Calculation of timber value based on volume and pricing information

The appraiser may consult with the buyer and or seller of the property concerning the consideration of value given to the standing timber in the property transaction. The consultation may take place by mail, phone or direct discussion with the party. A recording of the date and method of consultation should be made by the appraiser.

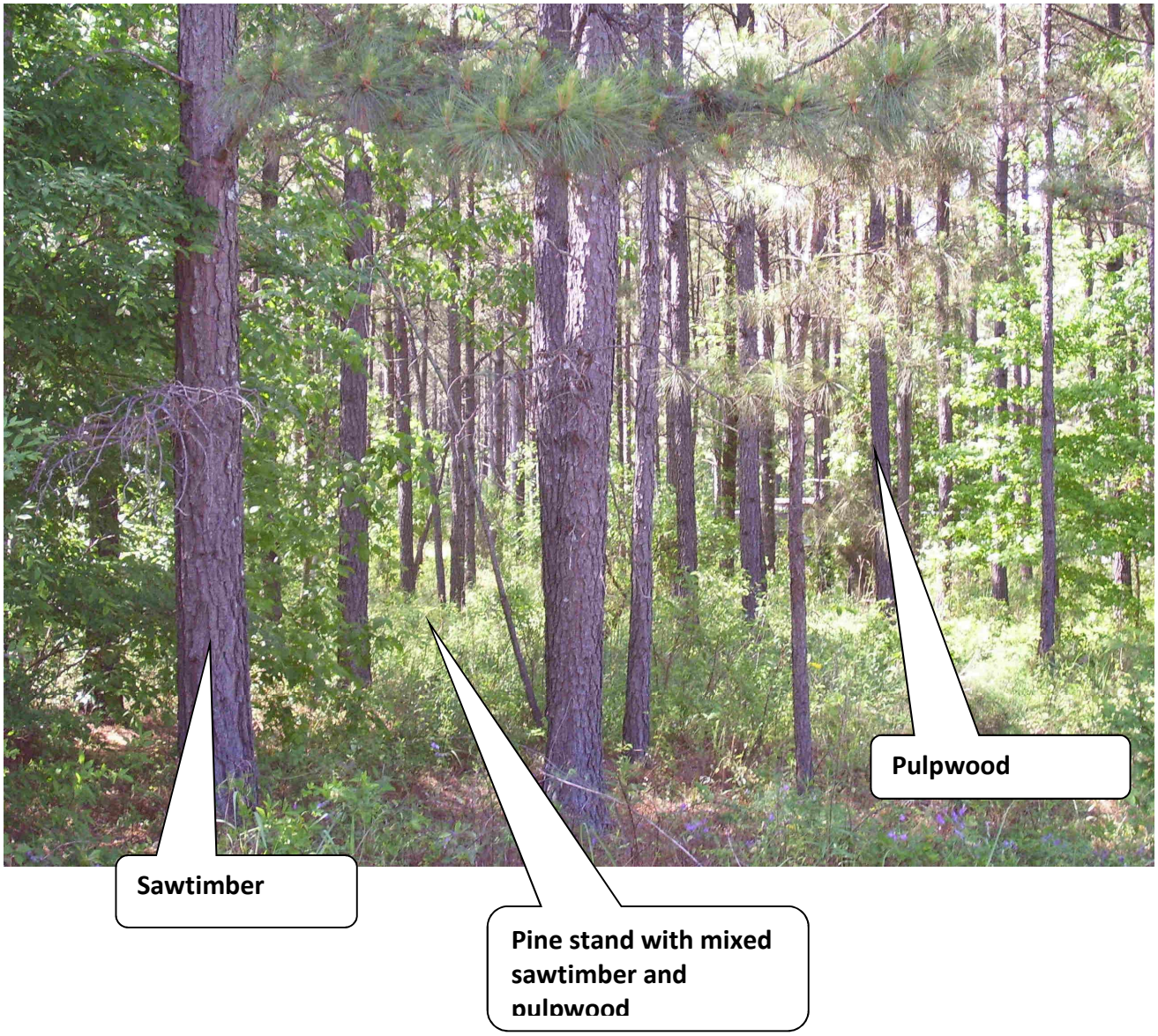
If a timber cruise has been made by a registered forester, the appraiser should ask for a copy of the cruise and inform the buyer/seller that the information will be held in strict confidentiality. Should the buyer/seller prefer to not provide the cruise but does provide the value of the timber from the cruise, the appraiser should accept the cruise value but make notes as to why a copy of the cruise is not available. If a cruise is not available and a timber value is provided, the appraiser must use his/her judgement as to the reliability of the information.

In all cases where information is provided by the buyer and seller, it would be prudent for the appraiser to perform a field visit to the property to gather information for validation of the value provided by the buyer/seller. Digital photographs and visual observations would be sufficient to validate the timber value provided by the buyer/seller.

If the appraiser visit a property that has sold within the last 6 months where the buyer has reported a timber value of $100,000 and discover what is shown in the photo below, the reported timber value should be questioned by the appraiser.

Cut-over with 2 year old natural reproduction. Pine tops have lost all needles and show advanced rotting.

However, if the observation made is as shown in the photo below, the appraiser should feel reasonably comfortable in accepting the information concerning the timber value.



If the timber value reported is zero but the following is observed upon inspection of the property, the appraiser may consider extracting a pre-merchantable timber value using the procedures outlined in the appraisal procedures manual.

Additional examples of what may be found in on-site visits to property are shown in the following photos.

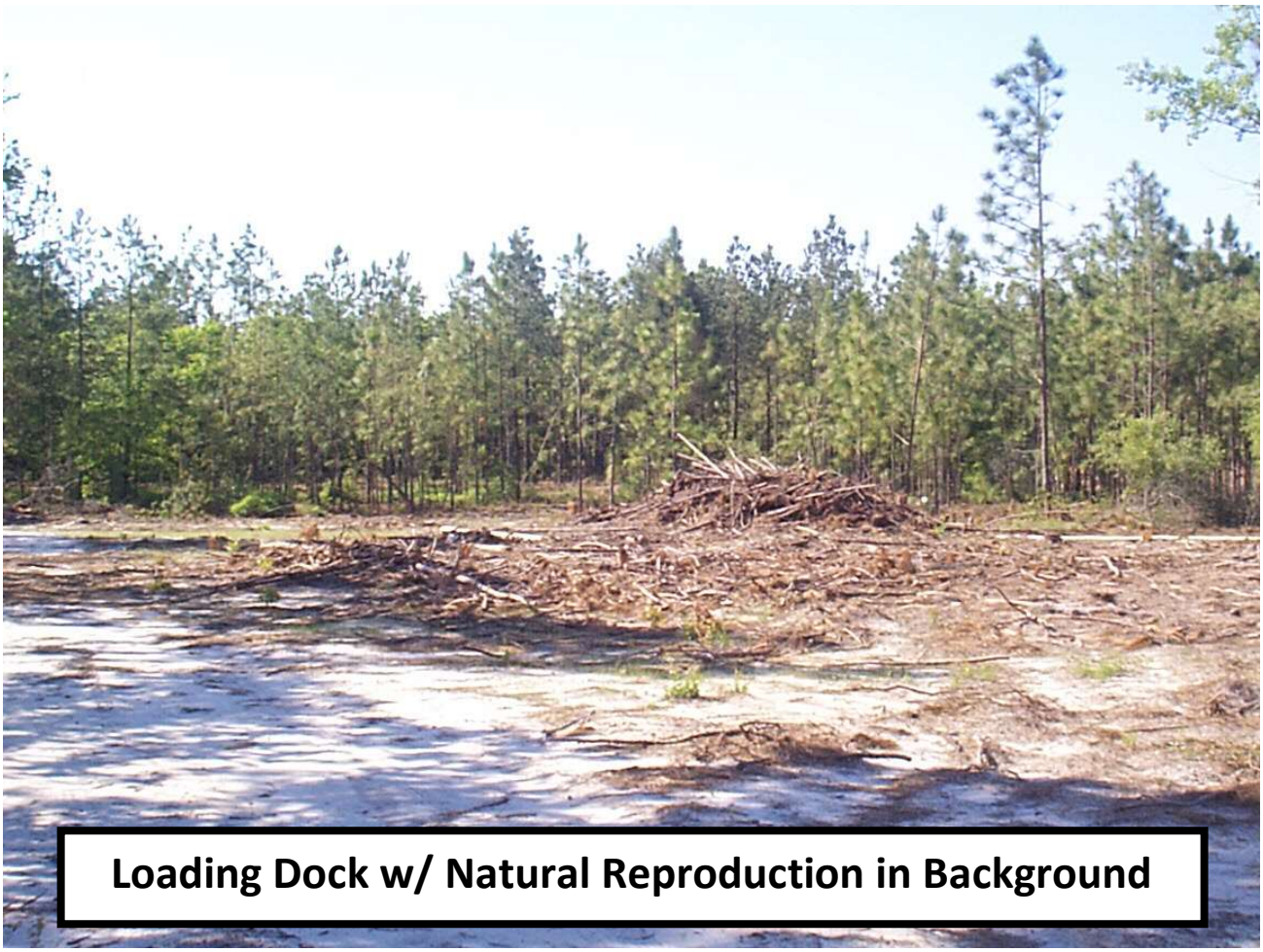
Chip-n-Saw Stand

Chip-n-Saw with Natural Reproduction

Chip-n-Saw Stand

Planted Chip-n-Saw

Natural Pulpwood Stand



Loading Dock w/ Natural Reproduction in Background

Natural Reproduction (pre-merchantable)
3 to 4 years old

Pine Pulpwood

Pine/Hardwood Mix (minimal timber value)

Sawtimber with Pulpwood

Parcel w/ Site Prep

Site Prep Gone Bad

9 Month Old Planted

If the timber consideration is not available from the buyer/seller or the appraiser desires to confirm the information that was provided in the consultation, the timber value may be calculated using the valuation methods defined in Rule 560-11-10-.09(3)(b)2(v)(I)I. As prescribed in the aforementioned Rule, the appraiser should calculate the value of all product classes of merchantable timber (trees 15 years and older) and the value of all pre-merchantable timber and sum both values to obtain the total timber value.

In order to calculate the value of merchantable and pre-merchantable timber, the appraiser will be required to gather data with regard to the volume of the timber product classes and the pricing that corresponds to the time of the sale. Volume information may come from the buyer/seller or a party trained in the gathering of such information. Pricing information can come from the local market or from the Table of Owner Harvest Timber Value as prepared by the Revenue Commissioner on an annual basis. The Table of Owner Harvest Timber Values from the year that precedes the sale should be used. The appraiser should ensure that local pricing information is as close as possible to the date of the sale due to the fluctuation in timber prices.

When working with the pre-merchantable timber valuation forms in addition to volumes, the appraiser must also gather information regarding the age of the pre-merchantable timber stand and stocking density. A “timber stand” can be defined as a group of trees exhibiting basically the same characteristics with regard to the manner of planting, species and age.

The age of the stand can be obtained from the buyer, seller or forester. In the absence of information from other sources, the appraiser may estimate the age of the stand by dividing the height of the trees by:

- **Natural Stand – 2 feet**
- **Planted Stand – 3 feet**

A calculation using the method above is shown below:

Tree Height = 16 feet

- **Natural Stand age = 8 years (16 / 2)**
- **Planted Stand age = 5.33 or 5 years (16/3)**

The average height of a timber stand can be obtained from the buyer, seller, or forester. In the absence of height information measurements can be determined using a tape measure, electronic measuring device, or by measuring tree and yardstick shadows and applying the following formula.

Must be done at 10 AM, 2 PM or 4 PM
Place yardstick next to tree and measure the shadow of the yardstick
Measure shadow of the tree or trees within the stand
Apply the following formula

X / tree shadow = 3ft / yard stick shadow
Tree Shadow = 60 inches
Yard Stick Shadow = 12 inches

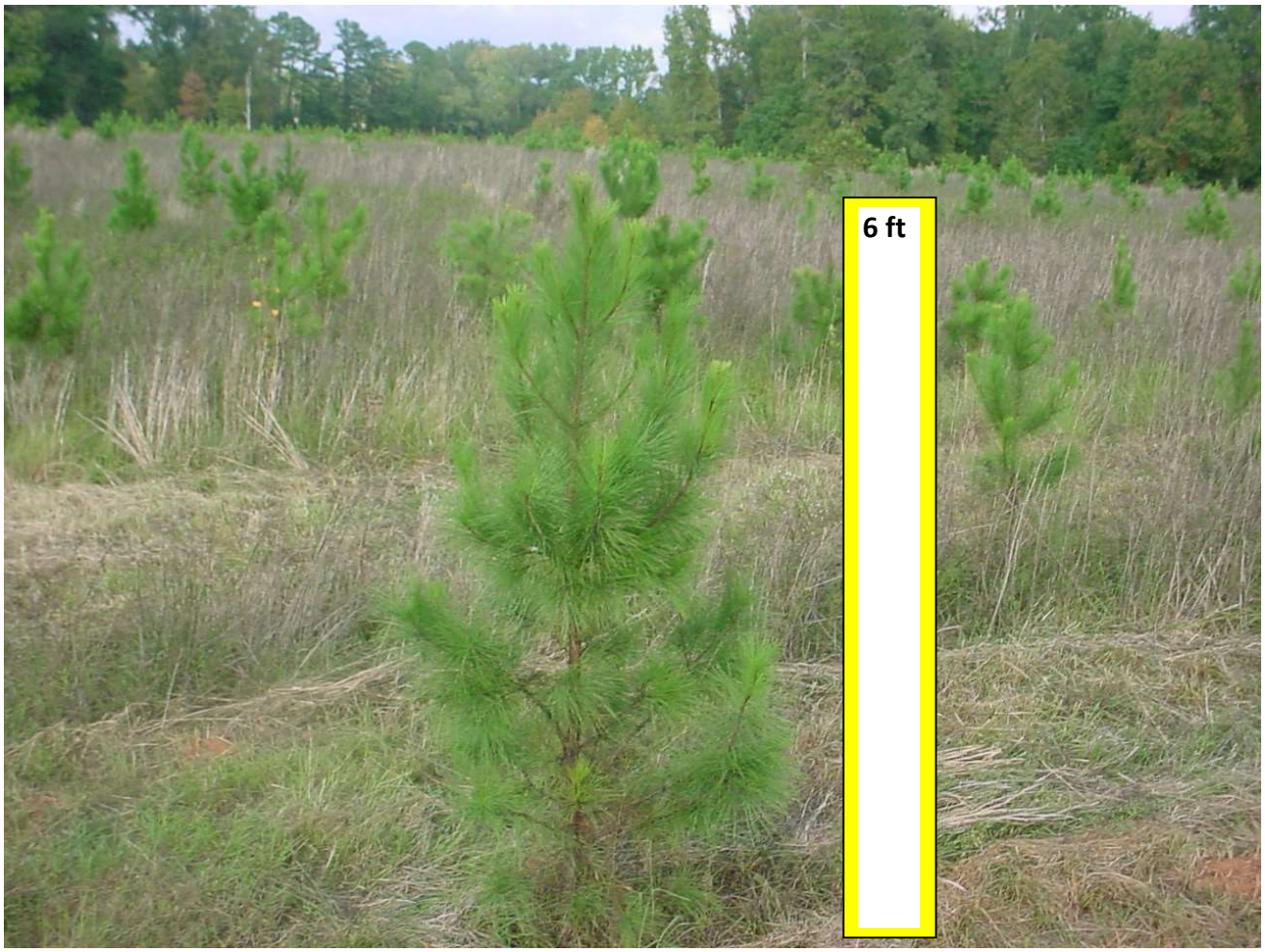
$$\frac{X}{60} = \frac{3}{12}$$

60 x 3 = 180/12 = 15ft

Planted 15ft/3ft per year = 5 years old
Natural 15ft/2ft per year = 7.5 years old (or 7 years old)

Estimating the Age of a Tree Exercises

1. Estimate the age of the above planted pine stand based on the photo below.



2. Estimate the age of a planted pine stand using shadow measurements:

   X / tree shadow = 3ft / yard stick shadow
   Tree Shadow = 90 inches
   Yard Stick Shadow = 12 inches

3. Estimate the age of a natural pine stand using shadow measurements:

   X / tree shadow = 3ft / yard stick shadow
   Tree Shadow = 110 inches
   Yard Stick Shadow = 16 inches

4. Estimate the age of a planted pine stand using shadow measurements:

   X / tree shadow = 3ft / yard stick shadow
   Tree Shadow = 125 inches
   Yard Stick Shadow = 15 inches

Following is an example of planted pines which are about 7 to 8 years old.

Aerial photo of stand above

In addition to the age of the pre-merchantable stand, the appraiser must also gather information as to the stocking density of the trees. Stocking density relates to the pattern in which the trees are planted and the percentage of trees that have survived. The standard stocking or planting pattern varies depending on the tree species and the preferences of the forester or landowner. Typical patterns are 10' x 6' which is 10 feet between rows and 6 feet between trees in the row. This provides 726 trees per acre (43,560 / 60 = 726). Another pattern that is used with the newer faster growing trees is 12' x 6' which puts 605 trees per acre in the ground. Some foresters prefer a 10' x 8' planting pattern with 545 trees per acre. Stocking density is basically the survival rate of the trees and can be determined by dividing the number of living trees by the number of trees that would be present based on the planting pattern within an area. The planting pattern and stocking density will best be determined from an onsite visit and observations from aerial photos.

For example, if a planting pattern of 10' x 6' was found in a stand of trees and it was determined that on the average 30 trees per acre had died, the stocking density could be calculated in the following manner:

1. **Square ft. per tree = 10 x 6 = 60**
2. **Trees per acre = 43,560 ÷ 60 = 726**
3. **Trees present = 726 – 30 = 696**
4. **Stocking Density = 696 ÷ 726 = .96 (or 95% stocking density**

The planted pines below would represent a 100% stocking density.

The photo below represents something less than 100% stocking density (approximately 80%) due to the high mortality rate of the planted pines. Notice the missing pines in the planting pattern.

The stocking density for natural regeneration is 50% for pine stands and 40% for hardwood. These densities are specified in the APM. (560-11-10-.09-(3)- (b)-2-(v)-(I)-III-B)

Stocking Density Example
After a dry spring, 300 stems per acre are all that survived in a 6 x 8 planting pattern. What is the Stocking Density?

6 x 8 = 48 (sq ft per tree)
43,560 / 48 = 908 trees/acre
300 / 908 = .3304 (30% stocking density)

Stocking Density Exercises

1. If a typical acre of a planted pine stand contains 550 trees and the planting pattern is 6 x 10, what would be the stocking density of the stand?

2. Determine the stocking density of a stand with a planting pattern of 12’ x 6’ where on the average 15 trees per acre are missing.

Timber Extraction

After the volume, age, stocking density and pricing information are obtained, the appraiser may use forms similar to the ones on the following pages to calculate the timber value for the sale. Computer generated forms that simulate the calculations in the forms below should be created when possible. The computer forms, once the formula and procedures have been validated, increase the efficiency and reduce the potential for calculation errors.

In addition to valuing pre-merchantable timber for value extraction, a value will need to be determined for stands of trees that have reached the age of merchantability (older than 15 years). There are no "magic formulae" or definitive steps such as with pre-merchantable timber in determining the value of merchantable timber. The knowledge and expertise of an individual trained in collecting timber information should be utilized when merchantable timber is present. A cruise which is defined as an estimation of the volume and value of timber is a preferred means of obtaining the value of merchantable timber.

Merchantable timber can be assigned to one of the 3 major categories, pulpwood, chip-n-saw and sawtimber. Many natural stands will have a mix of all 3 categories. Planted stands of timber due to the fact that the trees were planted at the same time will be of one category but over time will evolve into the next higher merchantable category.

1. **Pulpwood – Trees between 4 to 8 inches dbh (Diameter Breast Height – 4.5 ft. above forest floor on uphill side of tree)**
2. **Chip and Saw – Trees between 9 to 12 inches dbh**
3. **Sawtimber – Tree with dbh above 12 inches**

In addition to the 3 major categories above, merchantable timber may also fall into one of the categories listed below:

1. **Poles**
2. **Posts**
3. **Fuel Chips**
4. **Firewood**

Timber Calculation Worksheets

The following pages contain worksheets that may assist the appraiser in determining the value of timber to be extracted from the sales price. The worksheets are designed to follow the directions provided in the APM for the process of timber extraction.

Worksheets are provided for each category of timber and a summary of the timber value. The following worksheet examples are provided:

1. Merchantable Timber – The worksheet contains rows with the timber product classes listed in the Table of Owner Harvest Timber Values and columns for volumes, prices and value calculations.

2. Pre-merchantable Planted Pine – The worksheet would be used on stands of planted pine whose age is less than the age of merchantability. The worksheet follows the steps outlined in the APM for the value calculation of this timber type

3. Pre-merchantable Pine (Natural) – The worksheet is the same as the Pre-merchantable Planted pine with the exception of the stocking density of 50% being inserted and the cost of establishing the stand being removed per the APM.

4. Pre-merchantable Hardwood (Natural) – The worksheet is the same as the natural planted pine sheet with the exception of the stocking density being set at the prescribed 40% level.

5. Timber Value Summary – The value of all timber present on the parcel can be summarized using this worksheet.

6. Productivity Volume – This worksheet would be used when the appraiser determines that the best means to obtain the volume of the Pre-merchantable timber is by the Conservation Use Productivity method in the APM.

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood				
Chip-n-Saw				
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Total Value (Total Value/Acre x Acres)				
Cost (Cost of Establishing Stand / Acre * Acres)				
Base Value (Total Value – Cost)				
Age of Merch (15 is default; local conditions take precedence)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				
Total Accumulated Value (Accumulated Timber Growth + Cost)				
Information Supplied by:				

Timber Valuation Worksheet - Pine Pre-Merchantable (Natural)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood			.50	
Chip-n-Saw			.50	
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Base Value (Total Value/Acre x Acres)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Value of Accumulated Growth (Avg Annual Timber Growth * Age of Stand)				
Information Supplied by:				

Timber Valuation Worksheet - Hardwood Pre-Merchantable (Natural)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood			.40	
Chip-n-Saw			.40	
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Base Value (Total Value/Acre x Acres)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Value of Accumulated Growth (Avg Annual Growth * Age of Stand *.40)				
Information Supplied by:				

Timber Value Summary	
Map ID:	Date:
Timber Type	**Value**
Merchantable	
Pine Pre-Merchantable (Planted)	
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	

The following worksheet can be used as a guide to generate the volume of pre-merchantible timber stands that are being valued with productivity ratings and the Productivity – Timber Yield charts found in Rule 560-11-10-.09(3)(b)2(v)(I)II. A separate worksheet should be compiled for the various timber types and age of stand categories that are present on a parcel. The volume entries for pulpwood and chip-n-saw are found in the Productivity-Timber Yield charts.

The % of Stand Ac column is calculated based on the acres within the productivity rating divided by the total acres with the timber type-age stand. For example, if a planted pine stand contained 20 acres of 6 year old Slash pine with 5 acres in a Productivity Class of 2, the % of Stand Acreage calculation would be 5 ÷ 20 = .25 or 25%.

The Wt PW Vol (weighted pulpwood volume) and the Wt CS Vol (weighted chip-n-saw volume) columns will contain the weighted volumes for pulpwood and chip-n-saw within the productivity rating. Using the 25% of Stand Acreage within Productivity Class 2 for the Slash pine, if the pulpwood tons/acre is 90 tons and the chip-n-saw tons/acre is 10, the weighted volume values would be calculated as follows:

Wt PW Vol = 90 * .25 = 22.50 Wt CS Vol = 10 * .25 = 2.50

The summation of the weighted volume columns would be placed in Total Volume. The Total Volume is then used in the pre-merchantable timber calculation.

Productivity-Volume Worksheet					
Map ID:			**Acres:**	**Date:**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt PW Vol**	**Wt CS Vol**
1					
2					
3					
4					
5					
6					
7					
8					
9					
			Total Volume		

When using the Conservation Use Productivity ratings, additional information regarding which of the 3 major geographical regions the county is located within and the type of pine trees planted is required in order to correctly value the pre-merchantable timber. A county along the division line of two of the geographical regions may have some sales located in one regions and other sales located in the second region.

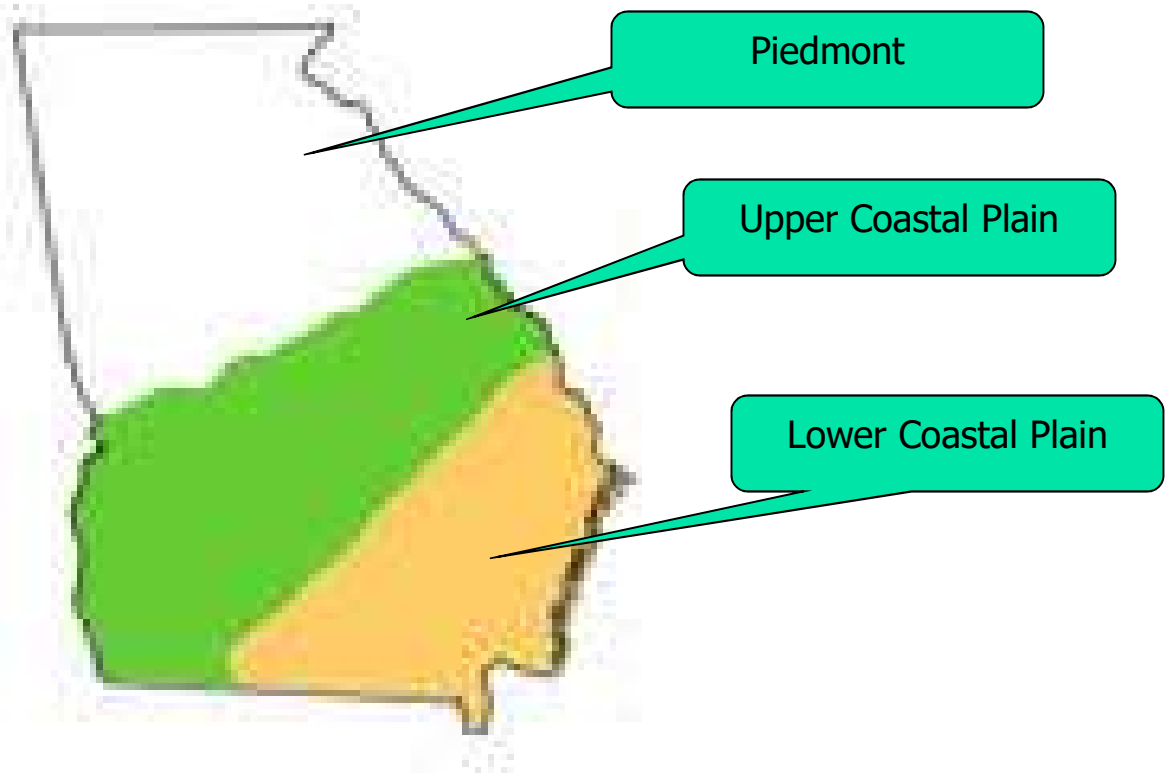
For the purpose of timber value extraction, the State is divided into 3 primary geographical regions:

1. Piedmont – basically the portion of the State above the Fall Line

2. Upper Coastal Plain – bounded on the north by the Fall Line and extends south to Florida and east to the lowest terrace that borders the Atlantic Ocean and the coastal islands and salt marshes

3. Lower Coastal Plain - includes the actual coastal area of the state and the Sea Islands, as well as the Okefenokee Swamp

The following map shows the general divisions of the 3 geographical regions:



In addition to being able to correctly identify the geographical region, the appraiser must also be able to determine the species of pine tree that has been planted. The identification of the species of pine tree is critical so the proper yield table can be used in the timber value calculation.

In the Piedmont area, Loblolly pines are the only species found in the yield table. For the Upper Coastal Plain and the Lower Coastal Plain, yield tables for Loblolly pine and Slash pine are available.

Below are photographs of the two species of pines that an appraiser must select from:

Loblolly Pine

Slash Pine

Tree Characteristics of Loblolly Pine:

- Height at maturity:
  Typical: 25 to 33 m (90 to 110 ft.)
  Maximum: 49.7 m (163 ft.)
- Diameter at breast height at maturity:
  Typical: 90 to 120 cm (36 to 48 in)
  Maximum: 140 cm (56 in)
- Crown shape: broadly conical; dense
- Stem form: often slightly crooked or swept
- Branching habit: long and spreading; well-developed limbs

Loblolly Pine is the most important and widely cultivated timber species in the southern United States. Because it grows rapidly on a wide range of sites, it is extensively planted for lumber and pulpwood. This tree is dominant on 11.7 million hectares (29 million acres) and comprises over half of the standing pine volume in the south. A medium lived tree, loblolly matures in about 150 years, with select trees reaching 300 years in age. Sonderegger pine (*Pinus × sondereggeri* H.H. Chapm.) is a natural hybrid between loblolly pine and longleaf pine (*Pinus palustris* Mill.), and occurs throughout the southeast.

Tree Characteristics of Slash Pine:

Slash pine is a common associate of loblolly pine (*Pinus taeda*). The length and number of needles per fascicle, cones, and bark can be used to differentiate them. Slash pine has "brooms" of needles at the ends of rough twigs. Needles may be 5" to 11" long and are borne2 to 3 to a fascicle. Cones range from 5" to 8" in length. Loblolly has 3 needles per fascicle that are 6" to 10" long. Loblolly cones are 3" to 6" long, but they are light reddish-brown and persist for three years of growth. Also, loblolly cones are far pricklier than slash pine cones. Bark of slash pine has large, flat, orange-brown plates. Loblolly bark is thick and divides into irregular, dark brown scaly blocks.

Identifying Characteristics	
Size/Form:	Slash pine is a medium to large tree that reaches heights of 80' to 115' tall. It has crown characterized by a round top and "brooms" of needles at the ends of the branches.
Leaves:	The needles are borne in sheathed fascicles of two or three, spirally arranged, and persistent. The needles are 5" to 11" long.
Fruit:	The fruit is a woody cone that is 5" to 8" long. It is dark brown. At the tip of the scales is a small, out-curved spine.
Bark:	The orange-brown bark is scaly and has plates.
Habitat:	It grows in the infertile soils of sandhills, flatwoods, and near wet lowlands, such as swamps and ponds.

In addition to valuing pre-merchantable timber for value extraction, a value will need to be determined for stands of trees that have reached the age of merchantability (16 years and older). There are no “magic formulae” or definitive steps such as with pre-merchantable timber in determining the value of merchantable timber. The knowledge and expertise of an individual trained in collecting timber information should be utilized when merchantable timber is present. A cruise which is defined as an estimation of the volume and value of timber is a preferred means of obtaining the value of merchantable timber.

Merchantable timber can be assigned to one of the 3 major categories, pulpwood, chip-n-saw and sawtimber. Many natural stands will have a mix of all 3 categories. Planted stands of timber due to the fact that the trees were planted at the same time will be of one category but over time will evolve into the next higher merchantable category.

- **Pulpwood – Trees between 4 to 8 inches dbh (Diameter Breast Height – 4.5 ft. above forest floor on uphill side of tree)**

- **Chip and Saw – Trees between 9 to 12 inches dbh**

- **Sawtimber – Tree with dbh above 12 inches**

Timber Valuation – Example 1

Map ID 022-009 is a 600 acre tract of rural land which sells for $850,000. All indications are that the sell is qualified. However, upon inspection of the parcel, the appraiser notes that there is a considerable amount of timber present on the property. Efforts to contact the buyer and seller have produced no information with regard to timber values or volumes.

The county contracts with a registered forester who upon a visit to the property and the use of aerial photography concludes that the following timber volumes and acres are present. The forester, also, states that the stocking density of the pre-merchantable stands is average and the cost of establishing planted timber stands is about $130 per acre.

Merchantable Timber	
Timber Type	**Tons**
Pine Pulpwood	**200**
Pine Chip-n-Saw	**1500**
Pine Sawtimber	**6300**
Hardwood Sawtimber	**550**

Pre-Merchantable Timber		
Timber Type	**Age**	**Acres**
Pine	**7**	**60.00**
Pine	**12**	**25.00**

The appraiser must now determine the value of the timber that is to be deducted from the sales price. Use the Table of Owner Harvest Timber Values provided in the manual for Burke County.

County	Softwood Pulpwood	Softwood chip-n-saw	Softwood Sawtimber	Softwood Poles	Softwood Posts	Softwood Fuelchips	Hardwood Pulpwood	Hardwood Sawtimber	Hardwood Firewood
Burke	13.32	19.68	27.07	49.85	19.29	4.45	8.71	31.26	6.07

Timber Valuation Worksheet - Merchantable Timber				
Map ID: 022-009			**Date: 06/30/17**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Volume (Tons)**	**Unit Price**	**Value**	
Softwood Pulpwood	**200**	**13.32**	**2,664**	
Softwood Chip-n-Saw	**1500**	**19.68**	**29,520**	
Softwood Sawtimber	**6300**	**27.07**	**170,541**	
Softwood Poles				
Softwood Posts				
Softwood Fuelchips				
Hardwood Pulpwood				
Hardwood Sawtimber	**550**	**31.26**	**17,193**	
Hardwood Firewood				
Total Merchantable Timber Value			**219,918**	
Information Supplied by:				

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID: 022-009			**Date: 06/30/17**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood	**(52.2 * .90) 47**	**13.32**	**1.00**	**626**
Chip-n-Saw	**(52.2 * .10) 5.0**	**19.68**	**1.00**	**98**
Total Value/Acre (Pulpwood + Chip-n-Saw)				**724**
Acres of Pre-Merch				**60.00**
Total Value (Total Value/Acre x Acres)				**43,440**
Cost (Cost of Establishing Stand / Acre * Acres) (60 * 130)				**7,800**
Base Value (Total Value – Cost)				**35,640**
Age of Merch (15 is default; local conditions take precedence)				**15**
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				**2,376**
Age of Stand (in years)				**7**
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				**16,632**
Total Accumulated Value (Accumulated Timber Growth + Cost)				**24,432**
Information Supplied by:				

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID: 022-009			**Date: 06/30/17**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood	**(52.2 * .90) 47**	**13.32**	**1.00**	**626**
Chip-n-Saw	**(52.2 * .10) 5.0**	**19.68**	**1.00**	**98**
Total Value/Acre (Pulpwood + Chip-n-Saw)				**724**
Acres of Pre-Merch				**25**
Total Value (Total Value/Acre x Acres)				**18,100**
Cost (Cost of Establishing Stand / Acre * Acres) (25 * 130)				**3,250**
Base Value (Total Value – Cost)				**14,850**
Age of Merch (15 is default; local conditions take precedence)				**15**
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				**990**
Age of Stand (in years)				**12**
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				**11,880**
Total Accumulated Value (Accumulated Timber Growth + Cost)				**15,130**
Information Supplied by:				

Timber Value Summary	
Map ID: 022-009	**Date: 06/30/17**
Timber Type	**Value**
Merchantable	**219,918**
Pine Pre-Merchantable (Planted)	**39,562**
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	**259,480**

Timber Valuation – Example 2

Map ID 022-010 is a 200 acre tract of rural land which sells for $300,000. All indications are that the sell is qualified. Upon inspection of the parcel, the appraiser notes that the entire 200 acres is planted pine. Efforts to contact the buyer and seller have produced no information with regard to timber values or volumes but the seller did state that the age of the Loblolly planted pine stand is 5 years.

The county has soil maps and has determined the following with regard to productivity ratings and acreage. Information from a forester states that Burke County is in the Upper Coastal Plain region, the stocking density of the pre-merchantable Loblolly stand is average and the cost of establishing planted timber stands is about $130 per acre.

Productivity Rating	Acres
2	**80**
5	**100**
8	**20**

The appraiser must now determine the value of the timber that is to be deducted from the sales price. Use the Table of Owner Harvest Timber Values provided in the manual for Burke County and the land productivity rating-timber yield table provided in Rule 560-11-10-.09(3)(b)2(v)(I)II.

County	Softwood Pulpwood	Softwood chip-n-saw	Softwood Sawtimber	Softwood Poles	Softwood Posts	Softwood Fuelchips	Hardwood Pulpwood	Hardwood Sawtimber	Hardwood Firewood
Burke	13.32	19.68	27.07	49.85	19.29	4.45	8.71	31.26	6.07

Loblolly Pine – Upper Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	129	116	13
2	85 – 89	87	103	93	10
3	81 – 84	83	93	84	9
4	80	80	85	77	8
5	75 – 79	77	78	70	8
6	70 – 74	72	67	63	4
7	60 – 69	65	52	49	3
8	10 – 59	45	18	18	0
9	0 - 9	0	0	-	-

Productivity-Volume Worksheet					
Map ID: 022-010			**Acres: 200.00**	**Date: 06/30/17**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt. PW Vol**	**Wt. CS Vol**
2	**93**	**10**	**80 acs – 40%**	**37.20**	**4.00**
5	**70**	**8**	**100 acs – 50%**	**35.00**	**4.00**
8	**18**	**0**	**20 acs – 10%**	**1.80**	**0.00**
			Total Volume	**74.00**	**8.00**

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID: 022-010			**Date: 06/30/17**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood	**74.00**	**13.32**	**1.00**	**985**
Chip-n-Saw	**8.00**	**19.68**	**1.00**	**157**
Total Value/Acre (Pulpwood + Chip-n-Saw)				**1142**
Acres of Pre-Merch				**200.00**
Total Value (Total Value/Acre x Acres)				**228,400**
Cost (Cost of Establishing Stand / Acre * Acres)				**26,000**
Base Value (Total Value – Cost)				**202,400**
Age of Merch (15 is default; local conditions take precedence)				**15**
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				**13,493**
Age of Stand (in years)				**5**
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				**67,465**
Total Accumulated Value (Accumulated Timber Growth + Cost)				**93,465**
Information Supplied by:				

Timber Value Summary	
Map ID: 022-010	**Date: 06/30/17**
Timber Type	**Value**
Merchantable	
Pine Pre-Merchantable (Planted)	**93,465**
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	**93,465**

Timber Valuation – Exercise 1

Map ID 030-012 is a 400 acre tract of rural land which sells for $765,000 in Burke County. All indications are that the sell is qualified. However, upon inspection of the parcel, the appraiser notes that there is a considerable amount of timber present on the property. Efforts to contact the buyer and seller have produced no information with regard to timber values or volumes.

The county contracts with a registered forester who upon a visit to the property and the use of aerial photography concludes that the following timber volumes and acres are present. The forester, also, states that the stocking density of the Loblolly pre-merchantable stands is 80% and the cost of establishing planted timber stands is about $110 per acre. Burke Co is located in the Upper Coastal Plain region of the State.

Merchantable Timber	
Timber Type	**Tons**
Pine Pulpwood	**400**
Pine Chip-n-Saw	**2200**
Pine Sawtimber	**7600**
Hardwood Sawtimber	**1100**

Pre-Merchantable Pine – 8 years old	
Productivity Rating	**Acres**
2	**5**
4	**8**
5	**12**

Pre-Merchantable Pine – 14 years old	
Productivity Rating	**Acres**
3	**10**
6	**14**

Use the Table of Owner Harvest Timber Values provided in the manual for Burke County and the land productivity rating-timber yield table provided in Rule 560-11-10-.09(3)(b)2(v)(I)II below:

County	Softwood Pulpwood	Softwood chip-n-saw	Softwood Sawtimber	Softwood Poles	Softwood Posts	Softwood Fuelchips	Hardwood Pulpwood	Hardwood Sawtimber	Hardwood Firewood
Burke	13.32	19.68	27.07	49.85	19.29	4.45	8.71	31.26	6.07

Loblolly Pine – Upper Coastal Plain					
Georgia Tax Productivity Rating	Georgia Tax Adjusted Site Index Range	Site Index Used For Growth Projections	Tons/Acre @ Age 15	Pulpwood	Chip-n-Saw
1	90 – 101	96	129	116	13
2	85 – 89	87	103	93	10
3	81 – 84	83	93	84	9
4	80	80	85	77	8
5	75 – 79	77	78	70	8
6	70 – 74	72	67	63	4
7	60 – 69	65	52	49	3
8	10 – 59	45	18	18	0
9	0 - 9	0	0	-	-

Timber Valuation Worksheet - Merchantabile Timber				
Map ID:			**Date:**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Volume (Tons)**	**Unit Price**	**Value**	
Softwood Pulpwood				
Softwood Chip-n-Saw				
Softwood Sawtimber				
Softwood Poles				
Softwood Posts				
Softwood Fuelchips				
Hardwood Pulpwood				
Hardwood Sawtimber				
Hardwood Firewood				
Total Merchantible Timber Value				
Information Supplied by:				

Productivity-Volume Worksheet					
Map ID:			**Acres:**	**Date:**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt PW Vol**	**Wt CS Vol**
1					
2					
3					
4					
5					
6					
7					
8					
9					
			Total Volume		

Productivity-Volume Worksheet					
Map ID:			**Acres:**	**Date:**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt PW Vol**	**Wt CS Vol**
1					
2					
3					
4					
5					
6					
7					
8					
9					
			Total Volume		

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID:			**Date:**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood				
Chip-n-Saw				
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Total Value (Total Value/Acre x Acres)				
Cost (Cost of Establishing Stand / Acre * Acres)				
Base Value (Total Value – Cost)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				
Total Accumulated Value (Accumulated Timber Growth + Cost)				
Information Supplied by:				

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID:			**Date:**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking Density**	**Value**
Pulpwood				
Chip-n-Saw				
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Total Value (Total Value/Acre x Acres)				
Cost (Cost of Establishing Stand / Acre * Acres)				
Base Value (Total Value – Cost)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Accumulated Timber Growth (Average Annual Timber Growth * Age of Stand)				
Total Accumulated Value (Accumulated Timber Growth + Cost)				
Information Supplied by:				

Timber Value Summary	
Map ID:	**Date:**
Timber Type	**Value**
Merchantable	
Pine Pre-Merchantable (Planted)	
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	

Large Tract Case Study (County B)

Background Information on County B

County B is a typical county with some developmental and urban growth influence. There continues to be a reasonably active ag/timber economy with sales that are considered to be primarily of ag/timber use. However, these sales prices of the rural parcels are impacted somewhat by the developmental and urban growth and the increasing demand for land.

Developing a rural land appraisal schedule will be a complicated and resource intensive process. The appraiser will be required to spend time verifying sales to be used in the schedule development. The qualified sales from the verification process must be analyzed to generate a small acre break point, a large tract "use" schedule, a size and location adjustment table of factors for large tracts (tracts with acreage above the small acre break point) and a small tract valuation schedule. The entire process could cover a time span of several weeks before it is concluded and sales-assessment ratio studies have been generated to substantiate the schedules.

The steps below represent a general overview of the process of construction a rural land appraisal schedule.

1. Separate the rural land sales (small and large acreage) from sales within subdivisions and urban areas.

2. Select from the list of rural land sales available those sales that appear upon first review to be suitable for constructing a rural appraisal schedule. List them by sale numbers.

3. List by sale number those sales upon first review that you consider unsuitable for constructing an appraisal schedule. Beside each number briefly state why you consider the sale unsuitable.

4. Develop a small acre break point using the sales that have been deemed as suitable.

5. Using sales of parcels with acreage above the small acre break point, isolate sales that represent ag/timberland transactions with little or no influence for size and location.

6. Analysis these sales to produce the base land schedule for large tracts of rural land.

7. Complete columns 1-11 and 13 on the "Sales Analysis Worksheet" to provide assistance in the sales analysis.

8. By reviewing the sales data record and the "sales analysis worksheet", list the sales that you consider as valid sales for constructing a schedule of values for:

   1) Open land

   2) Woodland

5. Some of the sales listed in Question 4 are for one reason or another more reliable than others. We will call them benchmark sales.

   a. List the sales that you consider "benchmark sales" for establishing the value of open land and give brief reason for you selection.

   b. List the sales that you conside as "benchmark sales" for establishing the value of timberland and give brief reasons for your selection

6. Using paired-sales analysis and the information from the benchmark sales, establish the base "use" value for the various land schedule classifications.

7. Appraise the sales based on their land classifications and the newly developed land schedule.

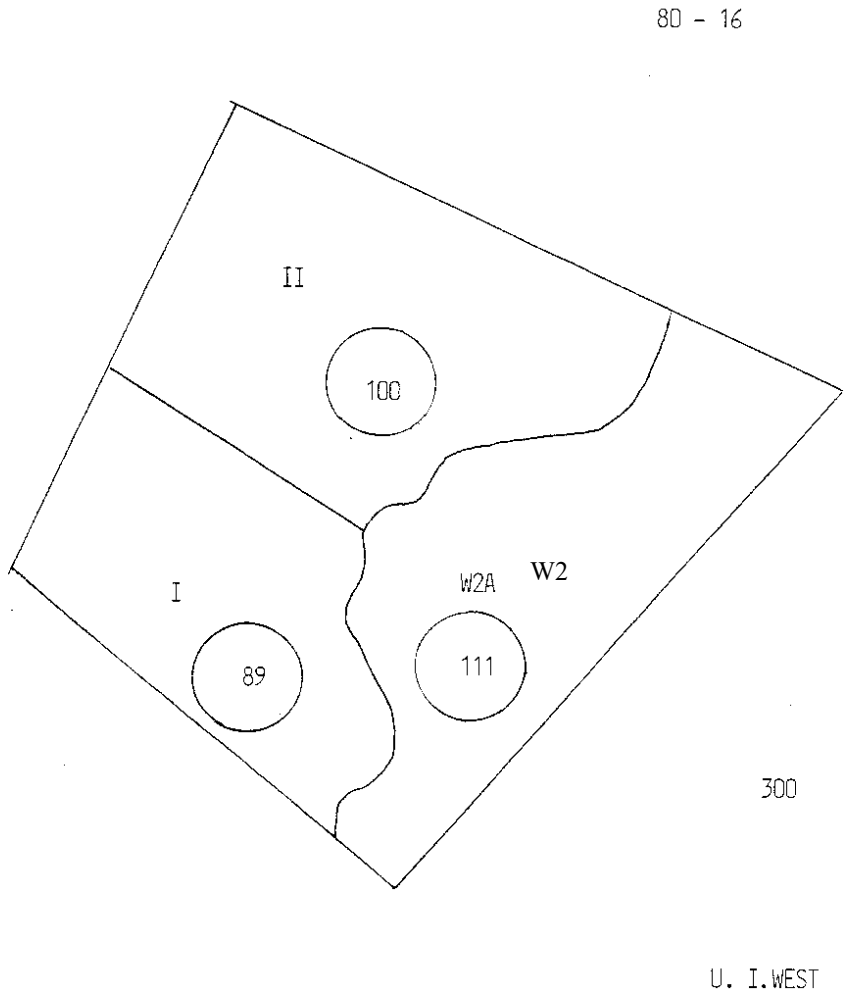
8. Test the validity of the rural land schedule with sales-asssement ratio studies

9. Develop a size/location adjustment table for tracts of rural land above the small acre break point.

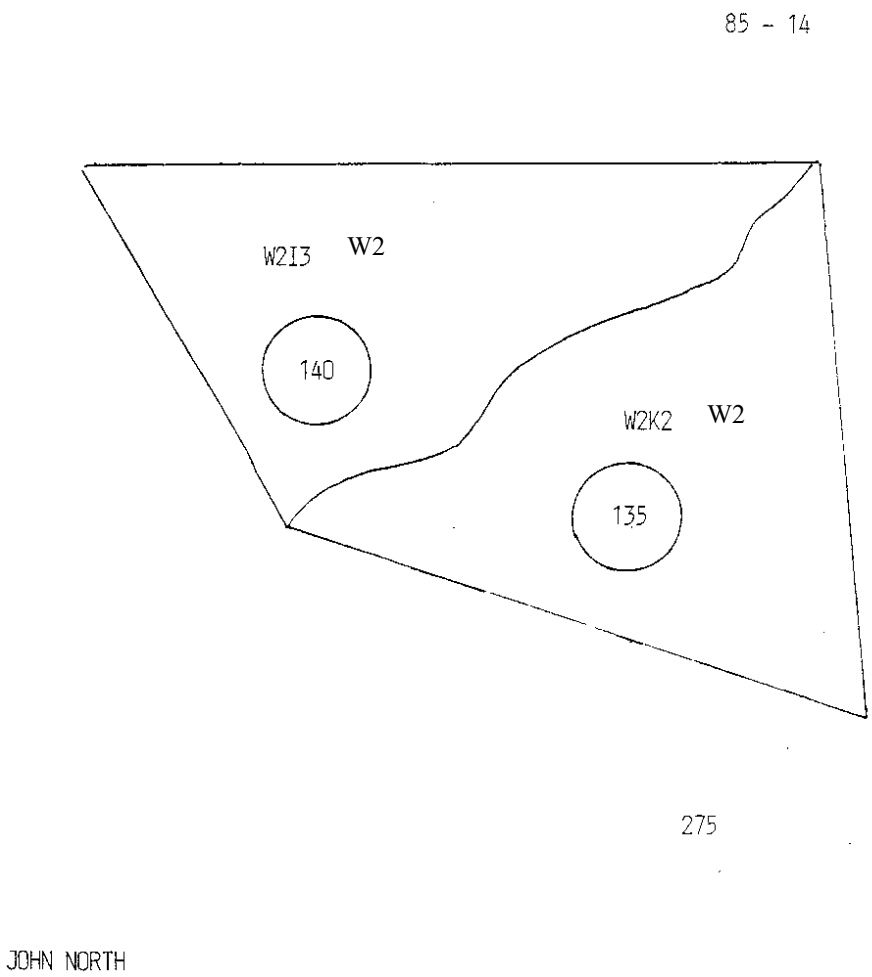
10. Throught ratio studies, test the validity of the base land schedule with the addition of the size/location adjustments.

11. With rural land sales that are below the small acre break, develop a small parcel schedule that contains adjustments for accessibility (location), desirability and size.

12. Confirm the accuracy of the small parcel schedule with ratio studies.

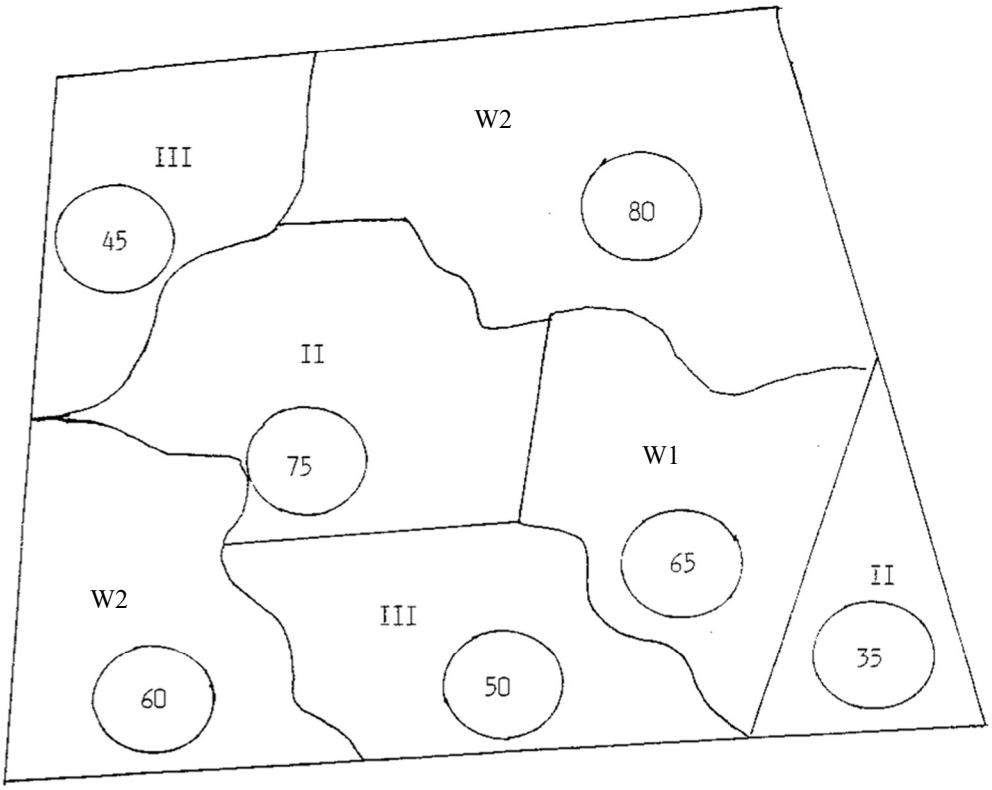


Sale # 1
Sales Price: 180,000
Timber Value: 0



Sale # 2
Sales Price: 275,000
Timber Value: 186,150

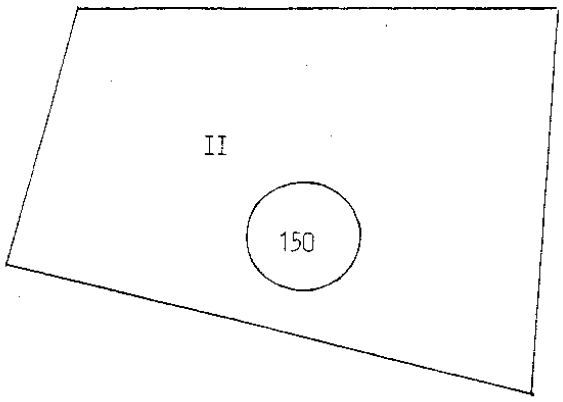
75 - 20



410 R.L. THOMAS

Sale # 3
Sales Price: 300,000
Timber Value: 85,150

43 - 17

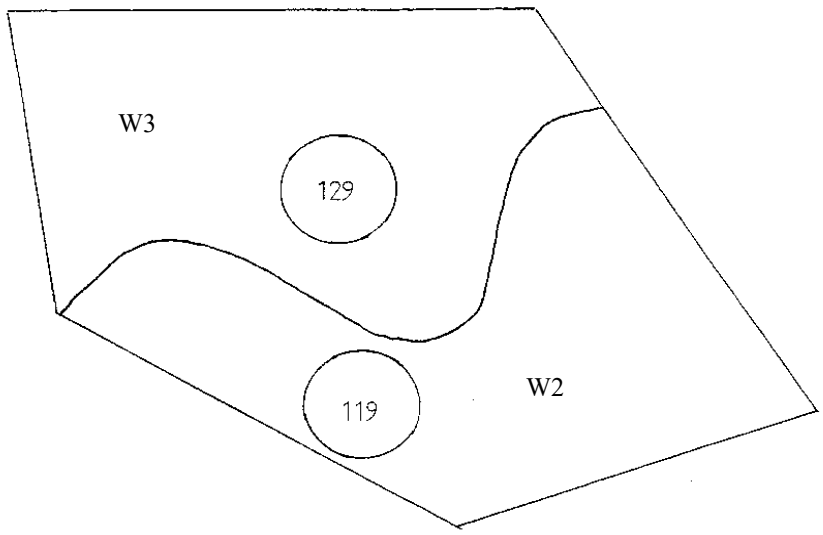


150

RALPH SMITH

Sale # 4
Sales Price: 110,000
Timber Value: 0

33 - 10

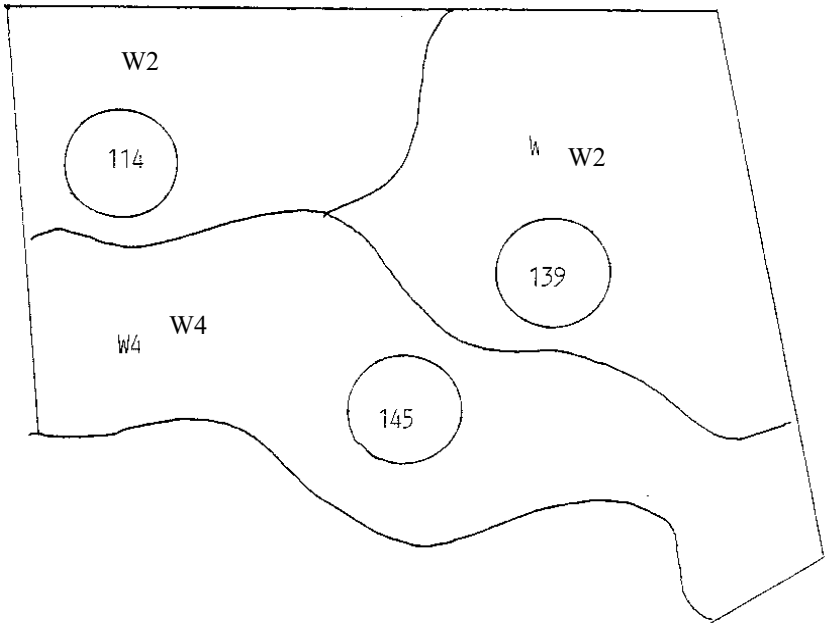


248

JIM NEWTON

Sale # 5
Sales Price: 60,000
Timber Value: 0

55 - 3

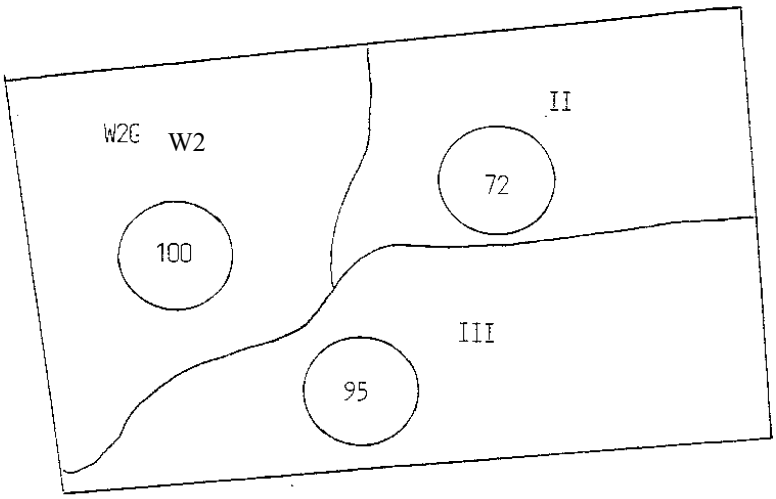


398

MATT HOWARD

Sale # 6
Sales Price: 260,000
Timber Value: 160,020

11 - 9

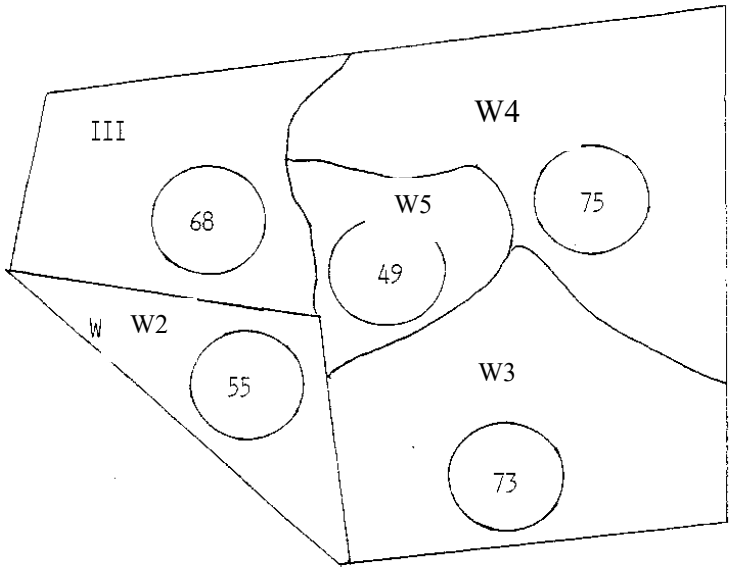


267

B.J. WELLS

Sale # 7
Sales Price: 140,000
Timber Value: 5,500

15 - 23

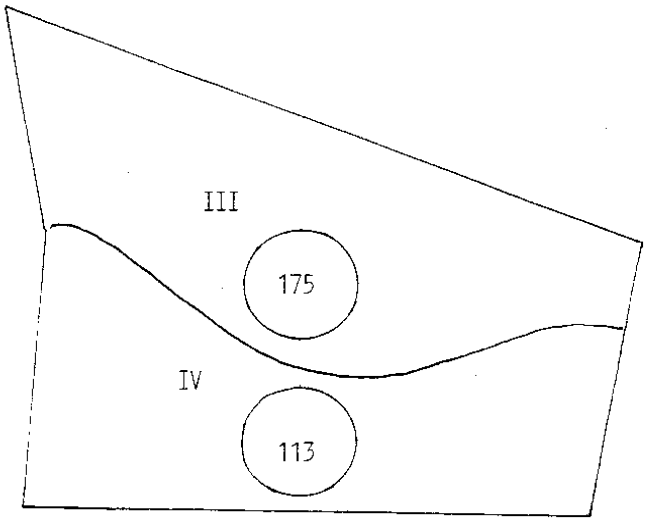


320

H.L. GANT

Sale # 8
Sales Price: 143,000
Timber Value: 56,400

44 - 14

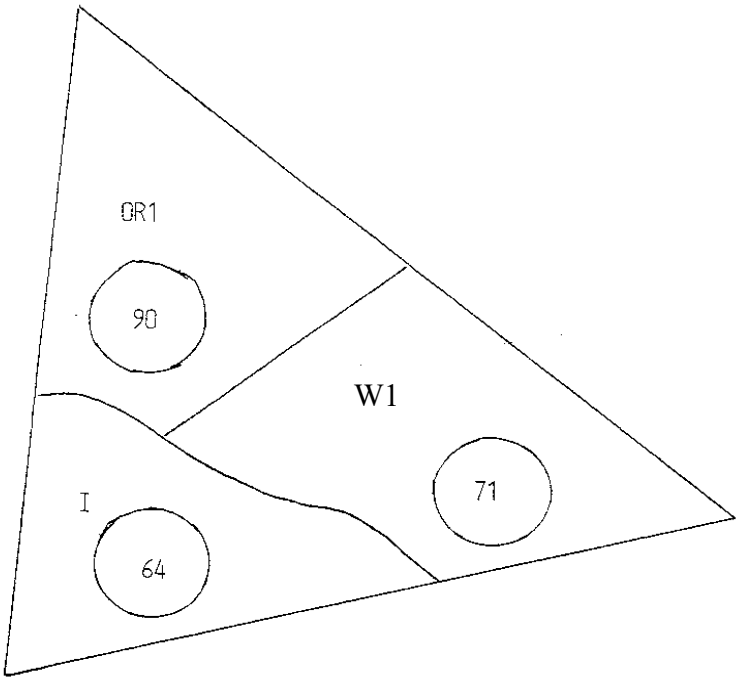


288

TERRY ELLIOT

Sale # 9
Sales Price: 148,000
Timber Value: 0

12 - 11

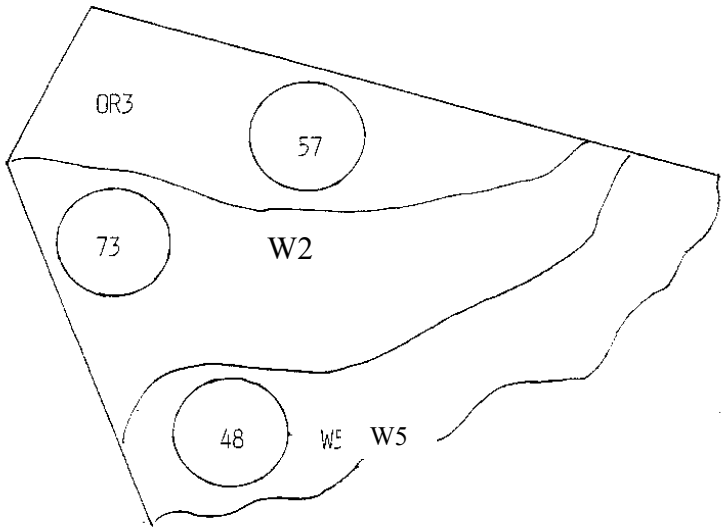


225

NEAL JOHNSON

Sale # 10
Sales Price: 300,000
Timber Value: 75,970

12 - 25

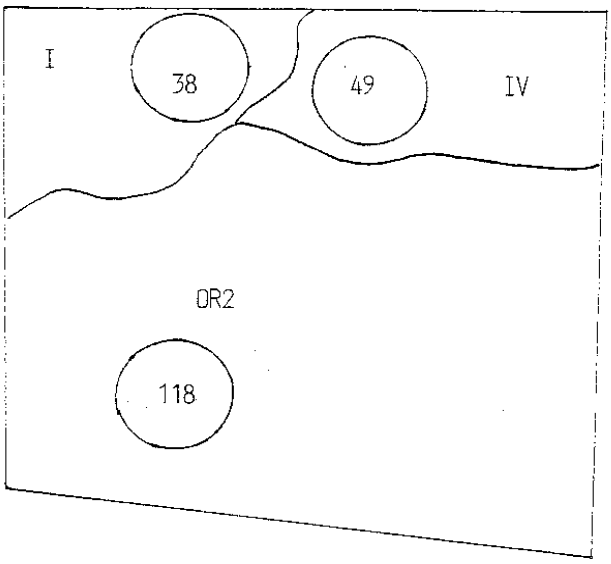


178

JAMES RAY

Sale # 11
Sales Price: 115,200
Timber Value: 33,865

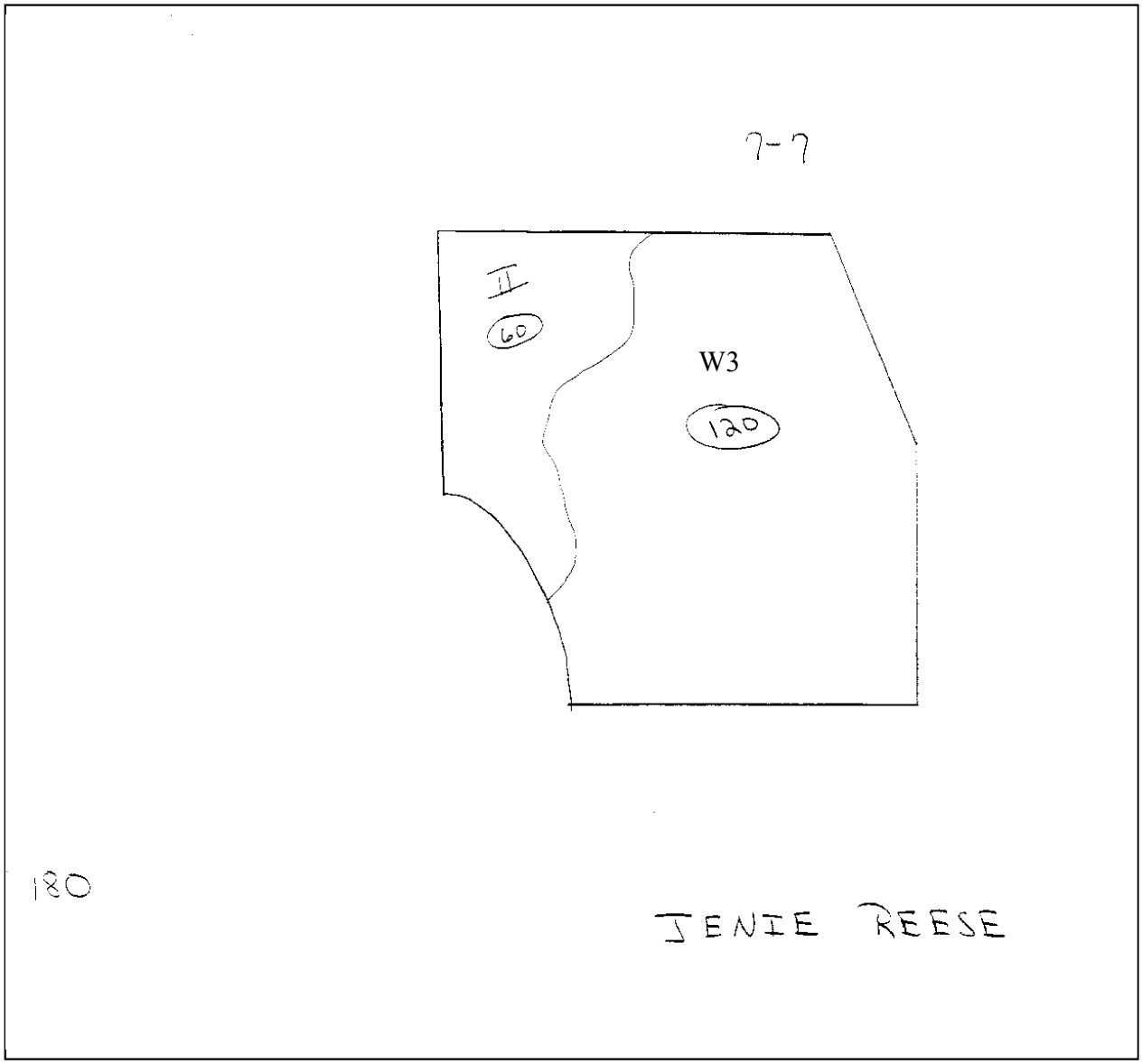
36 - 48



205

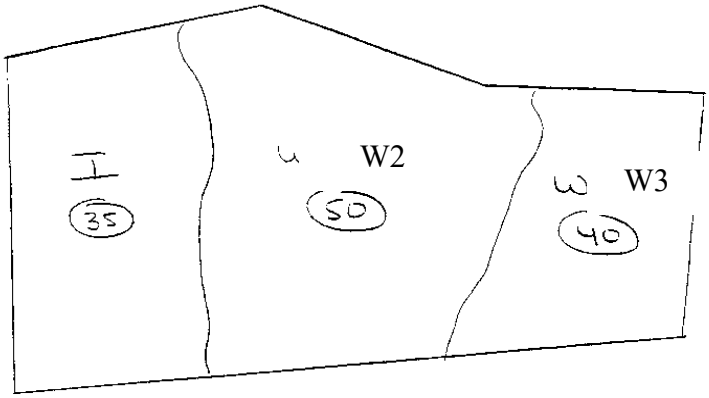
R.I. WALLER

Sale # 12
Sales Price: 195,800
Timber Value: 0



Sale # 13
Sales Price: 69,600
Timber Value: 0

51-11

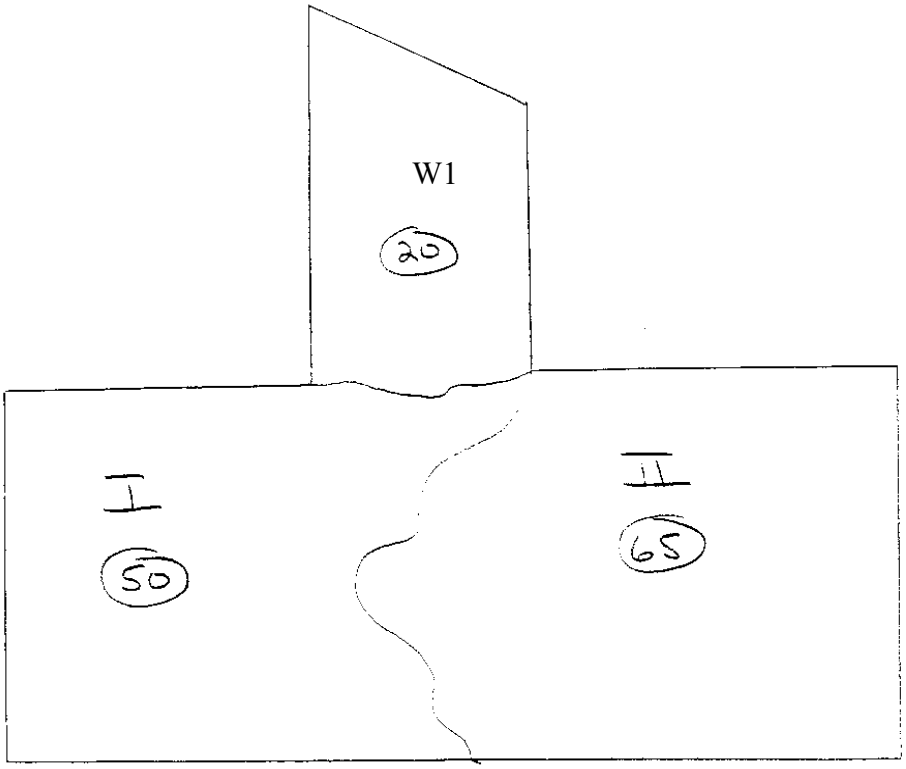


125

N. R. ABLE

Sale # 14
Sales Price: 113,800
Timber Value: 61,400

37-26



135

JUSTIN MULLIS

Sale # 15
Sales Price: 93,700
Timber Value: 0

Large Tract Case Study "Hand-In" Schedule

Appraisers:			
Appraisers			
Open Land	**Value**	**Sales Used**	**Benchmark (X)**
I			
II			
III			
IV			
Woodland			
W1			
W2			
W3			
W4			
W5			
Orchards			
OR1			
OR2			
OR3			

Large Tract Case Study "Hand-In" Schedule

Appraisers:			
Appraisers			
Open Land	**Value**	**Sales Used**	**Benchmark (X)**
I			
II			
III			
IV			
Woodland			
W1			
W2			
W3			
W4			
W5			
Orchards			
OR1			
OR2			
OR3			

Statistically Testing and Proving the Reliability of a Rural Appraisal System

In many respects, the application of mass appraisal techniques and procedures is an art as well as a science. No mass appraisal system can hope to achieve 100% "accuracy." That is, very few appraisals will "hit right on" the actual selling price, but an adequate or effective appraisal schedule should, if properly applied in the field, result in an evaluation that closely approaches the selling price on a certain percentage of the sales.

There are statistical procedures to measure the acceptability of appraisals as compared to the actual selling price. It may be relatively easy to maintain a digest at 40% which is the assessment level specified in Georgia law. It is another matter to maintain equity in a valuation system.

Various procedures may be employed to "check" the accuracy of appraisals to determine if they fall within certain tolerable limits of variation. However, in the State of Georgia the Coefficient of Dispersion must be used as the measure of uniformity for a ratio study.

In addition to measuring assessment level and uniformity, a statistical analysis of sales must check for bias. Bias in a statistical analysis indicates that either the higher priced properties or the lower priced properties are receiving preferential treatment (lower ratios) from the applied schedule. The Price Related Differential is the statistical measure that determines if bias is present.

Shown below is an example of the use of the statistical information in analyzing the reliability and equity of an appraisal system within the State of Georgia.

1. ASSESSMENT: Appraised Value * .40
2. RATIO (R): Assessment ÷ Sales Price (rounded to 4 decimals)
3. MEAN (M): Sum of ratios (∑ R) ÷ Number of Ratios (N)
4. MEDIAN (X): Physical midpoint of an array of ratios
5. AGGREGATE RATIO: Sum of assessment ÷ sum of sales prices
6. DEVIATION: Absolute value of median ratio - ratio
7. MEAN DEVIATION: Sum of deviations ÷ number of ratios
8. COEFFICIENT OF DISPERSION: Mean deviation ÷ median ratio
9. PRICE RELATED DIFFENRENTIAL: Mean ratio ÷ aggregate ratio

Sale No.	Sale Price Less Timber	Assessment (Appraised Value * .40)	Ratio (R)	Absolute Deviation from Median Ratio (X-Y)
1	150,000	66,000	.4400	.0360
2	225,000	87,300	.3880	.0160
3	75,000	30,000	.4000	.0040
4	315,000	163,800	.5200	.1160
5	110,000	44,880	.4080	.0040
6	183,000	70,272	.3840	.0200
7	260,000	81,120	.3120	.0920
8	311,000	130,620	.4200	.0160
9	462,000	147,840	.3200	.0840
10	288,000	172,800	.6000	.1960
Totals	2,379,000	994,632	4.1920	0.5840

MEAN RATIO = ∑ R ÷ N = 4.1920 ÷ 10 = .4192

MEDIAN RATIO (X) = Mid Pt of Ratio Array = .4080 + .4000 = .8080 ÷ 2 = .4040

Sale No.	Ratio (R)	Midpt
10	.6000	
4	.5200	
1	.4400	
8	.4200	
5	.4080	
3	.4000	
2	.3880	
6	.3840	
9	.3200	
7	.3120	

With an even number of sales, the median ratio will be determined by summing the two midpoints, in this case Sales 5 and 3 and dividing the result by 2.

The acceptable range for the median is .3600 to .4400. However, if public utility properties are to be assessed at 40%, the median must fall within a range of .3800 to .4200.

AGGREGATE RATIO = Sum of assessment ÷ sum of sales prices = 994,632 ÷ 2,379,000 = .4180

$$\text{MEAN DEVIATION} = \frac{\text{Sum of Deviations}}{\text{\# of ratios}} = \frac{.5840}{10} = .0584$$

$$\text{COEFFICIENT OF DISPERSION (COD)} = \frac{\text{Mean of Deviation}}{\text{Median Ratio}} = \frac{.0584}{.4040} = .1445$$

Since the coefficient of dispersion in this study does not exceed .200 it may be concluded that the appraisal system employed is acceptable within the limits accepted as being adequate for tax appraisals. The COD of .1445 tells us that “on the average” the deviation from the average ratio or median ratio (.4040) is 14.45% or .0584 points (mean deviation).

Expressed in another manner, the assessments in the example are “on the average” 40.40% of the sale price. “On the average” the appraisals vary (plus or minus) 5.84 points. The COD. is a way of expressing this 5.84 point “spread” as a percentage.

The coefficient of dispersion must be below 20% or .2000 for agricultural and commercial/industrial sales. The level of acceptance for residential properties is 15% or .1500.

PRICE RELATED DIFFERENTIAL (PRD) = $\frac{\text{Mean Ratio}}{\text{Aggregate Ratio}} = \frac{.4192}{.4180} = 1.0029$

The PRD must fall within a range of .95 to 1.10 before it is considered acceptable. A PRD value below 1.00 indicates bias towards the lower priced properties. In other words, the lower priced properties have ratios that are generally lower than their higher priced counterparts. The term for a situation of this nature is progressivity.

If the PRD is above 1.00, the bias is towards the higher priced properties. The term for bias toward the higher priced properties is regressivity.

The median, coefficient of dispersion and price related differential must all fall within the specified ranges before any valuation schedule is acceptable.

Statistic	Range of Acceptance
Median (Level of Assessment)	.3600 - .4400 for digest (.3800-.4200 for Utilities)
Coefficient of Dispersion (COD)	0.00 - .2000 for Ag/Comm/Ind (.1500 for Res)
Price Related Differential (PRD)	.95 – 1.10

Statistical Analysis

SALE NO.	SALE PRICE (SP)	ASSESSED VALUE (AV)	RATIO (X) (AV ÷ SP)	DEVIATION FROM MEDIAN RATIO

MEDIAN RATIO =
MEAN RATIO =
AGG RATIO =
MEAN DEVIATION =
COEFFICIENT OF DISPERSION =
PRICE RELATED DIFFERENTIAL =

Statistical Analysis

SALE NO.	SALE PRICE (SP)	ASSESSED VALUE (AV)	RATIO (X) (AV ÷ SP)	DEVIATION FROM MEDIAN RATIO

MEDIAN RATIO =
MEAN RATIO =
AGG RATIO =
MEAN DEVIATION =
COEFFICIENT OF DISPERSION =
PRICE RELATED DIFFERENTIAL =

Small Parcels

Definition - Small parcels are those tracts of land that are generally located outside of corporate limits and subdivisions. In most cases, factors other than soil productivity and standing timber affect the value of these tracts.

Factors that Affect Value of Small Parcels

Accessibility (location)
Desirability (those characteristics contained within the property boundaries)
Topography
Shape
Development
Landscaping
Shade Trees
Other
Size

Schedule Format

A small parcel schedule is usually set up in a table form with the accessibility and desirability codes forming the columns of the table and the acreage intervals setting up the lines**.**

Accessibility Codes – Numeric codes denoting different locations.

Desirability Codes – Alpha codes differentiating between various levels of desirability.

Use of Schedule

Valuation of small parcels by existing schedule.

Classification by Accessibility (Location)

Plot sales on county map.

Using the sales prices and appraiser's judgment designate different areas for accessibility. In the map below sales are grouped into 4 residual price per acre ranges.

1. **Residual Sales Price per Acre between $5000 - $6000**
2. **Residual Sales Price per Acre between $4000 - $4750**
3. **Residual Sales Price per Acre between $3000 - $3900**
4. **Residual Sales Price per Acre between $2000 - $2900**

Classification by Desirability

Usually a physical inspection of the property is required.

From the appraiser's observation, a desirability code is assigned to the property. Criteria for assignment should be based on the characteristics found in and around/adjacent to the parcel boundary. Criteria should include but not be limited to shape, size, topography, landscaping, flood potential, nuisances, access (including road frontage), etc.

The parcels on the following pages are examples of small rural parcels whereby the assignment of desirability is required.

1. Note the wetland areas and flooding potential on the parcel below. Also note the shape, quality of access, and topography. A desirability code assignment of D or E should be applied.

2. Note the landscaping and potential for improvements on the parcel below. Also note the shape and quality of access. A desirability code assignment of A or B should be applied.

3. Note the shapes on the parcels below. Also note the shape, quality of access, and easements. A desirability code assignment of C, D or E should be applied to these two parcels.

Accessibility Factor

- Compare sales at the same acre level, having the same desirability code and consecutive accessibility codes.
- Divide the per acre value for the sale with the lower value by the per acre value of the sale with the higher value.
- Using as many sales as possible, determine the factor that should be used to adjust values between accessibility levels.

Desirability Factor

- Compare sales at the same acre level, having the same accessibility code and consecutive desirability codes.
- Divide the per acre value for the sale with the lower value by the per acre value of the sale with the higher value.
- Using as many sales as possible, determine the factor that should be used to adjust values between desirability codes.

Acre Factor

- Compare sale with the same accessibility and desirability codes but at different acre levels.
- Divide the per acre value for the sale with the lower value by the per acre value of the sale with the higher value.
- Using as many sales as possible, determine the factor that should be used to adjust values between acres.

Completion of Schedule

Using the base value and the above established factors complete the small parcel schedule through the breaking point.

Test Schedule with Ratio Study

Sample Small Parcel Schedule

County A

Definition of Accessibility/Desirability Codes

Accessibility

Acc. Code	Definition
1	Best location in county; the areas where sales have indicated the highest values, or due to the appraiser's judgment because of similarities between areas the location has been designated as one of the best. Generally, those location on mountains with good view, around lakes or rivers with good view and/or water depth, close proximity to towns or major highway intersections, or any other highly regarded area would fall into this classification.
2	Those areas where sales have indicated that values are less than those in the best locations but higher than the values in other areas. Also, those areas where there are no sales but due to the appraiser's judgment and knowledge of the county they have been designated as the second highest. Generally, those areas, which are somewhat further, removed from the best locations or the view and/or water depth is not as good.
3	The average location within the county as indicated by sales or the appraiser's judgment. Generally, those areas away from city, lake, mountain, river, or any other influence that would cause the value to be in a higher range.
4	Locations or areas within the county where values are somewhat lower than in the average location. Generally, those areas located in the rural part of the county and off the main highways and county paved roads.
5	The poorest locations within the county as indicated by sales or the appraiser's judgment and knowledge of the county. Generally, those areas located in the rural and remote parts of the county with no or very little accessibility.

Desirability

Des. Code	Definition
A	The tracts will have the best shape and topography. These tracts may be well developed with excellent landscaping, well and septic tank or city/county water and sewage. The parcel will have excellent road frontage. In the larger small parcels with very heavy stands of timber, this classification could be used to compensate for the timber value.
B	The tracts will have good shape and topography. These tracts may be developed with good to average landscaping, well and septic tank or city/county water and sewage. The parcel will have better than average road frontage. This classification could also be used to help compensate for the heavier stands of timber on those small parcels where such value may affect the selling price.
C	The tracts will have average shape and topography. These tracts in most cases will not have a home site except in the larger small parcels where the influence of the home site value has diminished. The larger small parcels with fair timber stockings or exceptionally good farmland could be placed in this category.
D	The tracts in this category will have poor shape. The topography of these tracts will make them less desirable than the average or above tract. No development will have taken place on these parcels. Very little timber will be present to affect the value of the larger tracts.
E	These tracts will be the least desirable of all the parcels in the small acreage category. They will be characterized by poor shape and road frontage, no development and very poor topography. There will be no timber to influence the value of the larger small parcels.

Small Parcel Zones – County A

	1					2					3				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
1	3375	3150	2925	2700	2475	2625	2438	2250	2100	1988	2025	1800	1688	1500	1350
2	3292	3073	2853	2633	2414	2564	2379	2195	2049	1938	1080	1760	1650	1369	1320
3	2996	2796	2596	2395	2195	2335	2166	1998	1865	1762	1806	1603	1504	1338	1205
4	2919	2724	2528	2333	2138	2278	2111	1947	1817	1716	1764	1566	1468	1308	1178
5	2842	2652	2461	2271	2080	2220	2088	1896	1770	1670	1722	1528	1432	1277	1151
6	2765	2579	2394	2209	2023	2163	2002	1845	1722	1624	1680	1491	1397	1246	1124
7	2688	2507	2327	2146	1966	2105	1947	1793	1674	1578	1638	1453	1361	1215	1096
8	2611	2436	2260	2084	1908	2048	1896	1742	1627	1532	1596	1415	1325	1184	1069
9	2534	2363	2192	2022	1850	1990	1838	1691	1579	1485	1554	1378	1289	1154	1042
10	2457	2291	2125	1959	1793	1933	1784	1640	1532	1439	1512	1340	1254	1123	1014
11	2380	2219	2058	1897	1736	1876	1729	1589	1484	1393	1470	1302	1218	1092	987
12	2303	2147	1990	1835	1679	1819	1674	1538	1436	1347	1428	1264	1182	1061	960
13	2226	2075	1924	1772	1621	1761	1620	1487	1389	1300	1386	1226	1147	1030	932
14	2149	2003	1856	1710	1564	1703	1565	1436	1341	1254	1344	1189	1110	1000	905

	1					2					3				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
15	2072	1930	1789	1648	1506	1646	1510	1385	1294	1208	1302	1151	1075	969	878
16	1995	1859	1722	1586	1449	1589	1456	1333	1246	1162	1260	1113	1060	938	851
17	1939	1805	1671	1537	1403	1551	1420	1299	1215	1133	1228	1088	1035	918	834
18	1883	1751	1620	1488	1357	1513	1384	1265	1184	1104	1196	1063	1010	898	817
19	1827	1697	1569	1439	1311	1475	1348	1231	1153	1075	1164	1038	985	878	800
20	1771	1643	1518	1390	1265	1437	1312	1197	1122	1046	1132	1013	960	858	783
21	1715	1589	1467	1341	1219	1399	1276	1163	1091	1017	1100	988	935	838	766
22	1659	1535	1416	1292	1173	1361	1240	1129	1060	988	1068	963	910	818	749
23	1603	1481	1365	1243	1120	1323	1204	1095	1029	959	1036	938	885	798	732
24	1547	1427	1314	1194	1081	1285	1168	1061	998	930	1004	913	860	778	715
25	1491	1373	1263	1145	1035	1247	1132	1027	967	901	972	888	835	758	698
26	1435	1319	1212	1096	989	1209	1096	993	936	872	940	863	810	738	681
27	1379	1265	1161	1047	943	1171	1060	959	905	843	908	838	785	718	664
28	1323	1211	1110	998	897	1133	1024	925	874	814	876	813	760	698	647
29	1267	1157	1059	949	851	1095	988	891	843	785	844	788	735	678	630
30	1211	1103	1008	900	805	1057	952	857	812	756	812	763	710	658	613

	4					5				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
1	1518	1650	1500	1350	1200	1250	1150	1050	950	850
2	1643	1614	1468	1322	1175	1229	1131	1033	934	836
3	1605	1473	1339	1207	1073	1208	1112	1016	918	822
4	1569	1439	1309	1180	1051	1187	1093	999	902	808
5	1532	1406	1280	1154	1028	1166	1074	982	886	794
6	1495	1372	1250	1127	1005	1145	1055	965	870	780
7	1457	1338	1219	1100	1023	1124	1036	948	854	766
8	1420	1305	1189	1074	1000	1103	1017	/931	838	752
9	1383	1271	1159	1047	977	1082	998	914	822	738
10	1346	1238	1129	1021	954	1061	979	897	806	724
11	1309	1204	1099	994	931	1040	960	880	790	710
12	1272	1170	1069	967	908	1019	941	863	774	696
13	1235	1137	1039	941	885	998	922	846	758	682
14	1198	1103	1009	914	862	977	903	829	742	668
15	1161	1070	979	888	839	956	884	812	726	954

	4					5				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
16	1124	1036	949	861	816	935	865	795	710	640
17	1094	1009	925	839	794	917	848	780	697	629
18	1064	982	901	817	772	899	831	765	684	618
19	1034	955	877	795	750	881	814	750	671	607
20	1004	928	853	773	728	863	797	735	658	596
21	974	901	829	751	706	845	780	720	645	585
22	944	874	805	729	684	827	763	705	632	574
23	914	847	781	707	662	809	746	690	619	563
24	884	820	757	685	640	791	729	675	606	552
25	854	793	733	663	618	773	712	660	593	541
26	824	766	709	641	596	755	695	645	580	530
27	794	739	685	619	574	737	678	630	567	519
28	764	712	661	597	552	719	661	615	554	508
29	734	685	637	575	530	701	644	600	541	497
30	704	658	613	553	509	683	627	585	528	486

Calculate the FMV

Using the Acc/Des table on the previous pages calculate the Value.

	Acc / Des	Acres	$ / Acre	Value
1.	3B	10.50		
2.	1D	2.60		
3.	4A	15.00		
4.	5E	1.56		
5.	2C	6.33		
6.	4D	18.61		
7.	1A	12.05		
8.	3C	4.41	`	
9.	5B	16.00		
10.	2E	7.85		

Accessibility Factor Exercise

Sale No.	Acres	Acc/Des	Sales Price
1	1.01	1C	$2,020
2	1.35	2C	$2,565
3	3.46	4D	$5,190
4	3.00	5D	$4,350
5	7.70	3A	$9,240
6	7.91	5A	$7,830
7	10.25	3B	$13,940
8	10.50	4B	$13,125
9	12.35	1D	$17,290
10	12.60	2E	$15,750
11	15.10	2A	$14,800
12	15.45	3A	$14,675

Accessibility Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Desirability Factor Exercise

Sale No.	Acres	Acc/Des	Sales Price
1	1.00	1D	$2,800
2	1.25	2E	$3,250
3	2.15	2B	$4,945
4	2.50	2C	$5,185
5	5.60	5A	$9,940
6	5.45	5B	$8,720
7	9.18	3D	$10,375
8	9.00	3E	$8,910
9	11.20	4A	$10,080
10	12.20	4B	$9,455
11	14.10	1C	$17,275
12	14.50	1D	$16,820

Desirability Factors

Sale No.'s	Acre Level	Higher Des	Lower Des	Higher $/Ac	Lower $/Ac	Factor

Acreage Factor Exercise

Sale No.	Acres	Acc/Des	Sales Price
1	1.01	1A	$8,000
2	2.20	1A	$16,895
3	4.60	2D	$18,470
4	5.75	2D	$22,165
5	7.00	3C	$14,100
6	8.15	5C	$13,040
7	10.25	5B	$11,275
8	11.50	5B	$12,420
9	14.05	4C	$13,700
10	14.70	4C	$14,330
11	18.00	3D	$14,400
12	19.50	3D	$15,130

Acreage Factors

Sale No.'s	Lower Acre Level	Higher Acre Level	$ / Ac for Lower Level	$ / Ac for Higher Level	Factor

Small Parcel Case Study

SALES LIST

Sale No.	Acc/Des	Acres	Sale Price
1	1B	2.68	11,687
2	4C	18.78	19,982
3	3B	1.00	2,910
4	3C	1.07	2,857
5	4B	5.21	10,264
6	4C	1.07	2,263
7	4B	17.97	21,654
8	5D	14.88	13,466
9	4D	1.09	2,109
10	4B	6.75	12,859
11	3C	1.00	2,630
12	2D	12.75	24,633
13	2D	19.22	27,870
14	5D	6.92	8,442
15	1D	19.10	34,570
16	4C	2.30	4,667
17	4E	15.50	12,400
18	2C	4.70	15,980
19	1A	3.60	16,595
20	3D	13.45	19,165
21	1A	1.15	6,500
22	3D	12.63	18,945
23	5D	9.50	11,715
24	4A	5.05	12,474
25	5C	20.50	17,325

LISTING SALES BY ACRES

Sale No.	Acc / Des	Acres	Sales Price	$ / Acre

LISTING SALES BY ACRES

Sale No.	Acc / Des	Acres	Sales Price	$ / Acre

LISTING SALES BY ACRES

Sale No.	Acc / Des	Acres	Sales Price	$ / Acre

LISTING SALES BY ACRES

Sale No.	Acc / Des	Acres	Sales Price	$ / Acre

Accessibility Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Accessibility Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Accessibility Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Desirability Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Desirability Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Desirability Factors

Sale No.'s	Acre Level	Higher Acc	Lower Acc	Higher $/Ac	Lower $/Ac	Factor

Acreage Factors

Sale #'s	Lower Acre Level	Higher Acre Level	$ / Ac for Lower Level	$ / Ac for Higher Level	Factor

Acreage Factors

Sale #'s	Lower Acre Level	Higher Acre Level	$ / Ac for Lower Level	$ / Ac for Higher Level	Factor

Acreage Factors

Sale #'s	Lower Acre Level	Higher Acre Level	$ / Ac for Lower Level	$ / Ac for Higher Level	Factor

	1					2					3					4					5				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
1.00																									
2.00																									
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	1					2					3					4					5				
Acres	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**	**A**	**B**	**C**	**D**	**E**
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19.00																									
20.00																									

Factors for Acreage < 1.00

.01 - .09	=	.20
.10 - .19	=	.32
.20 - .29	=	.44
.30 - .39	=	.53
.40 - .49	=	.61
.50 - .59	=	.70
.60 - .69	=	.78
.70 - .79	=	.85
.80 - .89	=	.92
.90 - .99	=	.97

Rural Land – Determination of Location/Size Factors for Large Parcels

The base land values that were calculated for large tracts were a result of analyzing the market for the typical agricultural tract and determining the use values for such properties. The values that were calculated should contain little or no adjustment for location and size. However, within any county there will be parcels with acreage above the small acre break point but less than the standard agricultural parcel acreage. Typically, these parcels require adjustments for location and size to generate the property's Fair Market Value.

The lack of size/location adjustments in a rural land schedule can result in the following situation where the small acre break point exists and the large tract land schedule is applied. The value of a 25.00 acre small parcel with an accessibility/desirability code of 3C is 25,000 (25 * 1,000/acre). The value of a 26 acre parcel that has 10 acres of Class II open land and 16 acres of Class W3 woodland is 11,800. The value difference of 13,200 dollars is difficult to explain to a taxpayer since the lower valued parcel is the larger of the two.

A more definitive means of determining the need for such adjustments would be through a sales-assessment ratio study. A ratio study performed on the 15 sales that were used to derive the large tract base land values would produce the following statistics:

Median = .3951
COD = .0205
PRD = 1.0015

If the sales of the 10 smaller agricultural tracts on the following pages are introduced into the study, the statistics are as follows:

Median = .3818
COD = .1107
PRD = .9397

The statistics above indicate that the rural land large tract schedule is producing the correct assessment level with acceptable uniformity but the schedule contains bias toward the smaller tracts which is known as progressivity. In other words, the larger parcels would have the higher ratios. If the sales were arrayed by size, it would be obvious as to this fact.

The progressivity of the rural land schedule, in this case, is due to the lack of a component of fair market value which is an adjustment/factor for size and location. The size/location adjustment would fall under the category of "any other factors deemed pertinent in arriving at fair market value" as defined in Georgia Code Section 48-5-2.

The sales price of Sale #16 below is 27,000 with an accessibility assignment of 3. The appraised value of the land using the rural land base schedule is 22,900 as calculated below.

Classification	Acres	$/Acre	Value
II	25.00	700	17,500
W2	18.00	300	5,400
Land "Use" Value			22,900

The value difference of 4,100 between the sales price and the Use Value can be attributed to size and location influences. In the business of mass appraisal, the value difference is best defined as a factor that can be easily applied to hundreds, perhaps thousands of parcels.

The size/location adjustment factor would be 1.1790 and would be calculated by dividing the residual land sales price by the land use value. The steps for the factor calculation are as follows:

Residual Land Price = Sales Price – Non-Land Value
Loc/Size Adj = Res Land Price / App Use Value (round to 4 decimal positions)

Accessibility					
Acre Level	**1**	**2**	**3**	**4**	**5**
26.00					
27.00					
28.00					
29.00					
30.00					
31.00					
32.00					
33.00					
34.00					
35.00					
36.00					
37.00					
38.00					
39.00					
40.00					
41.00					
42.00					
43.00			**1.1790**		
44.00					
45.00					
46.00					
47.00					
48.00					
49.00					
50.00					

After all size/location adjustments are calculated, the appraiser should establish a benchmark point in the table. The bench mark is found by looking for pairings of sales (factors) that have occurred at the same acre level and within the same location/accessibility area.

Accessibility					
Acre Level	**1**	**2**	**3**	**4**	**5**
26.00					**1.3557/1.4439**
27.00					
28.00		**1.7411**			
29.00					
30.00					
31.00					
32.00					
33.00					
34.00				**1.2667**	
35.00	**1.6250**	**1.5137**			
36.00					
37.00					
38.00			**1.2977**		
39.00					
40.00					
41.00					
42.00					
43.00			**1.1790**		
44.00					
45.00					
46.00					
47.00					
48.00				**0.9000**	
49.00	**1.2255**				
50.00					

The sample transitional table above represents rural land sales between the small acre break point and the standard agricultural tract acreages. The factors keyed are attributable to those parcels size and location within the county. A benchmark can be found by identifying sales that have occurred within the same accessibility area at the same acre level within the table. Two sales have occurred in accessibility area 5 at the 28 acre level. Using these two sales the appraiser could consider a benchmark of 1.4000.

An accessibility factor can be calculated using sales that occur at the same acre level within the transitional table but consecutive adjacent accessibility locations. Two sales have occurred at the 35 acre level with 1 and 2 consecutive adjacent accessibility locations. An accessibility factor can be calculated as follows:

Factor at lesser accessibility / Factor at better accessibility
1.5137 / 1.6250 = .9315

To calculate an acreage factor the appraiser will need to use the formula for variance as there are no sales that occurred within the same accessibility location with consecutive adjacent acre intervals.

Variance

After the benchmark and location/accessibility factor/s have been determined the appraiser should then develop an acreage factor. The acreage factor will be determined using a formula know as variance because most counties will not have sales within the transitional table that are consecutive/adjacent acre intervals. The formula for variance is shown below.

$$(X/Y)^{1/(B-A)}$$

X = Factor at Higher Acre Level
Y = Facttor at Lower Acre Level
A = Lower Acre Level
B = Higher Acre Level

Example from Transitional Table:

$$(1.5137/1.7411)^{1/(35-28)}$$

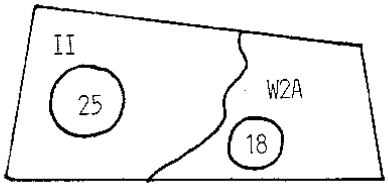
Once the benchmark, accessibility factor, and acreage factor have been derived the appraiser should apply them to the transitional schedule extending the factors throughout the accessibility/desirability table for tracts above the small acre break point. See completed example table.

Large Tract Transitional Table

	Accessibility				
Acre Level	**1**	**2**	**3**	**4**	**5**
26.00	**1.8595**	**1.7321**	**1.6135**	**1.5030**	**1.4000**
27.00	**1.8223**	**1.6975**	**1.5812**	**1.4729**	**1.3720**
28.00	**1.7859**	**1.6635**	**1.5496**	**1.4434**	**1.3446**
29.00	**1.7501**	**1.6303**	**1.5186**	**1.4146**	**1.3177**
30.00	**1.7151**	**1.5977**	**1.4882**	**1.3863**	**1.2913**
31.00	**1.6808**	**1.5657**	**1.4585**	**1.3585**	**1.2655**
32.00	**1.6472**	**1.5344**	**1.4293**	**1.3314**	**1.2402**
33.00	**1.6143**	**1.5037**	**1.4007**	**1.3048**	**1.2154**
34.00	**1.5820**	**1.4736**	**1.3727**	**1.2787**	**1.1911**
35.00	**1.5504**	**1.4442**	**1.3452**	**1.2531**	**1.1672**
36.00	**1.5193**	**1.4153**	**1.3183**	**1.2280**	**1.1439**
37.00	**1.4890**	**1.3870**	**1.2920**	**1.2035**	**1.1210**
38.00	**1.4592**	**1.3592**	**1.2661**	**1.1794**	**1.0986**
39.00	**1.4300**	**1.3320**	**1.2408**	**1.1558**	**1.0766**
40.00	**1.4014**	**1.3054**	**1.2160**	**1.1327**	**1.0551**
41.00	**1.3734**	**1.2793**	**1.1917**	**1.1100**	**1.0340**
42.00	**1.3459**	**1.2537**	**1.1678**	**1.0878**	**1.0133**
43.00	**1.3190**	**1.2286**	**1.1445**	**1.0661**	**0.9931**
44.00	**1.2926**	**1.2041**	**1.1216**	**1.0448**	**0.9732**
45.00	**1.2668**	**1.1800**	**1.0992**	**1.0239**	**0.9537**
46.00	**1.2414**	**1.1564**	**1.0772**	**1.0034**	**0.9347**
47.00	**1.2166**	**1.1333**	**1.0556**	**0.9833**	**0.9160**
48.00	**1.1923**	**1.1106**	**1.0345**	**0.9636**	**0.8976**
49.00	**1.1684**	**1.0884**	**1.0138**	**0.9444**	**0.8797**
50.00	**1.1450**	**1.0666**	**0.9935**	**0.9255**	**0.8621**

Sale # 16
Sales Price: 27,000
Timber Value: 0
Use Value: 22,900

Location 3

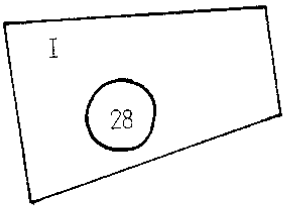


43 ACRES

LEE OLIVER

Sale # 17
Sales Price: 39,000
Timber Value: 0
Use Value: 22,400

Location 2



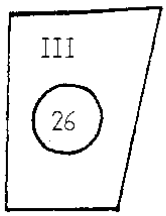
28 ACRES

MACK JONES

Sale # 18
Sales Price: 22,525
Timber Value: 0
Use Value: 15,600

8-2

LOCATION 5

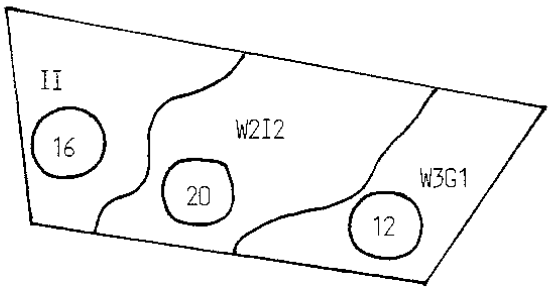


26 ACRES

MARY JACKSON

Sale # 19
Sales Price: 26,300
Timber Value: 8,660
Use Value: 19,600

LOCATION 4



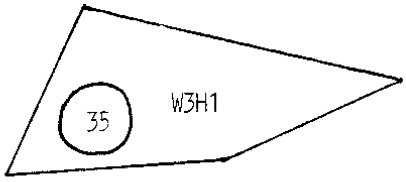
48 ACRES

DON MARKS

Sale # 20
Sales Price: 16,100
Timber Value: 4,725
Use Value: 7,000

8-3

LOCATION 1

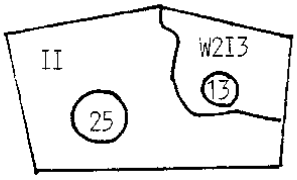


35 ACRES

LON JOHNSON

Sale # 21
Sales Price: 34,400
Timber Value: 6,630
Use Value: 21,400

LOCATION 3



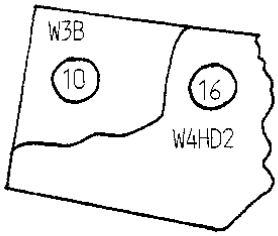
38 ACRES

M. D. SCOTT

8-4

Sale # 22
Sales Price: 7,175
Timber Value: 1,210
Use Value: 4,400

LOCATION
5

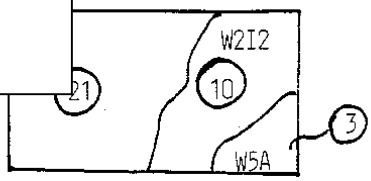


26 ACRES

JACK SMITH

Sale # 23
Sales Price: 26,800
Timber Value: 4,000
Use Value: 18,000

LOCATION 4



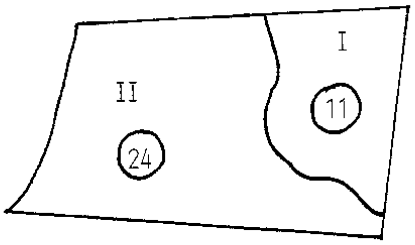
34 ACRES

FRANCIS HILL

Sale # 24
Sales Price: 38,750
Timber Value: 0
Use Value: 25,600

8-5

LOCATION 2

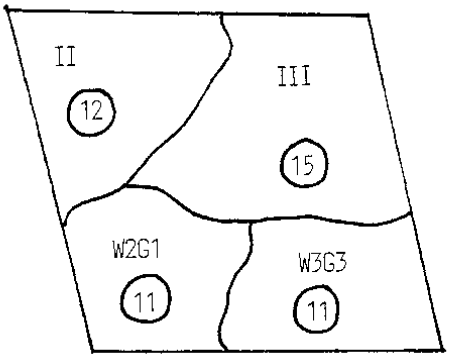


35 ACRES

W. R. LONG

Sale # 25
Sales Price: 30,100
Timber Value: 2,035
Use Value: 22,900

LOCATION 1



49 ACRES

BARNEY YELTON

Large Tract Transitional Table

Acres	1	2	3	4	5
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

Large Tract Transitional Table

Acres	1	2	3	4	5
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					
44					
45					
46					
47					
48					
49					
50					

Using Absorption Methodology in Rural Land Schedules

In most counties, parcels of rural land exist that are larger than the typical size agricultural tract that sales. These "super sized" parcels may range from 400 to 500 acres and up to thousands of acres depending upon the county. Typically, there are few sales to no sales of these type tracts. Consequently, the appraiser is left without any real guidelines as to how to make size adjustments to these parcels.

In the absence of adequate sales to develop size adjustments for the "super sized" parcels, the APM provides the appraiser with a means of arriving at size adjustments through absorption methodology. The appraiser should remember that this methodology is used only when adequate sales of rural large tracts are not available to provide market indications of size factors.

In Rule 560-11-10-.02(1)(a), an absorption rate is defined as the rate at which the real estate market can absorb real property of a given type. In this situation, the appraiser is concerned with the rate at which a large tract of land can be absorped by the market if it is divided into smaller marketable units and then determining the present worth of the property by discounting the future worth of the parcel to present day dollars.

Rule 560-11-10-.09(3)(b)(2)(iv) provides the methodology by which the appraise shall determine the rate of absorption and apply the rate to the valuation process. The Rule states

> ***"When insufficient large tract sales are available to create a reliable schedule of factors, the appraisal staff may use comparable sales to develop values for the size tracts for which comparables exist, and then adjust these values for larger tracts by (1) estimating a rate of absorption for the smaller tracts for which data exists, (2) dividing the large tract into smaller, marketable sections, (3) developing a sales schedule with estimated income by year reflecting the absorption rate and the value characteristics of each of the smaller tracts, (4) discounting the income schedule to the present using an appropriate discount rate, and (5) summing the resulting values to arrive at an estimated value for the property. "***

Each step of developing an absorption rate as outlined in the Rule above will be discussed on the following pages.

The **initial step** in the process is to estimate a rate of absorption for the smaller tracts for which data exits and to define a standard size for ag tracts. This can be translated as determing the number of smaller marketable units that are generally sold each year and the average size of the tracts.. The number of smaller marketable units may be obtained in the following manner:

1. The "true" ag tracts should be arrayed by acreage.

2. From the array of ag tracts the appraiser should select an acreage level where the largest number of sales have occurred. Due to the limited number of sales, the acreage level may actually be an acreage range, not a specific number of acres. For example, the appraiser may select a range of 150 to 250 acres with an average acreage level of 200 acres. The average acreage level will be termed the standard ag marketable tract. In some situations, a period of time extending beyond 1 year may need to be used to provide the appraiser with a clear indication of the standard size for ag tracts.

3. The rate of absorption will be the number of sales that occur at the acre level or acreage range. If more than one year is used to draw the conclusion, the appraiser should average the number of sales over the number of years to produce a yearly rate.

The **second step** of the process is dividing the large tract into smaller, marketable units. In the fee appraisal process, each parcel to be appraise that is larger than the standard marketable unit would need to be analyzed. However, considering the volume of parcels that much be appraised each year in mass appraisal, the appraiser must take a different approach. Consequently, the large tract will be identified as the largest non-exempt, non-utility parcel in the county. The large tract should then be divided into smaller marketable units by dividing the acreage in the large tract by the total acres of the standard ag marketable tracts which produces the number of marketable sections.

For example, if the largest parcel in the county is 5,000 acres and the standard ag marketable tract is 200 acres with 5 such standard ag parcels sold each year, the appraiser would determine the total acres of the standard ag marketable tract by multiplying the standard ag marketable acreage by the number for standard ag parcels sold. (200 * 5 = 1000).

The total standard ag acres would then be divided into the acreage of the large tract to generate the number of years expected to sell off the large tract (5000 ÷ 1000 = 5). This will be known as the sell-off period.

The **third step** in the absorption process is to develop a sales schedule with estimated income by year reflecting the absorption rate and the value characteristics of each of the smaller tracts. In other words, the appraiser should determine the value of the smaller marketable ag units. Since the result of the absorption process will be applied to all large tracts across the county, the appraise may determine the composition of the standard ag tract in the county and apply that to the county's rural base land schedule to generate the value of the smaller marketable ag units.

For example, if the standard ag. tract compostion is 60 % woodland and 40 % open land and the value of the woodland is $1100 per acre and open land is $1500 per acre, the value of the standard ag marketable acreage (1000 acres) can be calculated as follows:

Open Land value = std. mkt acs. * %Open * avg open value = 1000 * .40 * 1500 = 600,000

Woodland value = std. mkt acs. * %Wood * avg wood value = 1000 * .60 * 1100 = 660,000

Total value = Open Land value + Woodland value = 600,000 + 660,000 = 1,260,000

Step four of the absorption process involves discounting the income schedule to the present using an appropriate discount rate. This can be translated as determining the present worth of the standard ag marketable units for each year with a discount rate. The discount rate can be defined as the rate of return that most buyers would expect from an investment in rural land. In the absence of that information, the appraiser may inquire of local lending institutions as to the typical rate for borrowing funds to purchase rural land properties.

In our example, the sell-off period is 5 years as calculated in Step 2 and the value of the standard marketable acreage as determined in Step 3 is 1,260,000. The discount rate is 7%. The value of the standard marketable acreage must be discounted for each year of the sell-off period.

The present value of a future income stream can be calculated with the following formula:

$$PV = FV \div (1 + i)^n$$

Where PV = present value, FV = future value, i = discount rate, and n = the year of the income stream for which the present value is sought. For example, if we were looking for the present value of the standard marketable acreage in the fourth year of the sell-off period, the present value formula would be applied in the manner below:

$$PV = 1{,}260{,}000 \div (1 + .07)^4$$
$$PV = 1{,}260{,}000 \div 1.07^4$$
$$PV = 1{,}260{,}000 \div 1.3108$$
$$PV = 961{,}248$$

Following is a table containing the present worth value for each year of a standard 5,000 acre tract.

Year	Value	Rate	Present Value
0	1,260,000	7.00	1,260,000
1	1,260,000	7.00	1,177,570
2	1,260,000	7.00	1,100,533
3	1,260,000	7.00	1,028,535
4	1,260,000	7.00	961,248

The **fifth step** in the absorption process is summing the resulting values to arrive at an estimated value for the property. This can be stated as totaling the present value for each year to produce the total discounted value of the large tract.

The table below contains the sum of the present values for the 5,000 acre tract.

Year	Value	Rate	Present Value
0	1,260,000	7.00	1,260,000
1	1,260,000	7.00	1,177,570
2	1,260,000	7.00	1,100,533
3	1,260,000	7.00	1,028,535
4	1,260,000	7.00	961,248
Total Value			5,527,886

The process above could be applied to all large tracts of rural land. However, that would require the appraiser to be more specific as to the composition of the subject properties and the calculations would have to be done hundreds of times. With the use of composition and value standards for the county, a **sixth step** can be added to the process whereby the information derived from this process can be used to create a size factor for the large tract which through interpolation can be applied to all parcels that are categorized as rural land and have acreage above the standard ag tract size. The size factor should be integrated into the county's accessibility/desirability table.

The size adjustment is calculated by dividing the per acre value of the large tract by the per acre value of the standard ag marketable tract. The steps to perform this calculation are as follows:

- Value of std mkt tract of 200 acres = (200 * .60 * 1100) + (200 * .40 * 1500) = 252,000
- Value of 5,000 acre tract = 5,527,886
- Size Adj = $ per ac of large tract / $ per ac of std tract
- Size Adj = 1,106 / 1,260
- Size Adj = .8778

The size factor would be added to the accessibility/desirability table as in the example below:

Acres	**Factor**
50.00	1.4335
100.00	1.0554
200.00	1.0000
5000.00	.8778

Interpolation

Interpolation is needed in order to determine size adjustment factors for all acre entries within the large acre tract valuation schedule in order to adjust for size and location. Interpolation routines are run behind the scenes in most CAMA systems. The formula is shown below.

Using an interpolation routine such as the one below, size factors could be determined for all acreage levels. The formula for the interpolation of size factors is

(((A – L) / (U – L)) * (UV – LV)) + LV

- A = acre level where size factor is needed
- L = lower acre level in schedule within acre range of A
- U = upper acre level in schedule within acre range of A
- LV = Factor at L acre level
- UV = Factor at U acre level

If the size factor for a 1500 acre tract is needed, the calculations would take place as follows:

- (((A – L) / (U – L)) * (UV – LV)) + LV
- (((1500 – 200) / (5000 – 200)) * (.8778 – 1.0000)) + 1.0000
- ((1300 / 4800) * -.1222) + 1.0000
- (.2708 * -.1222) + 1.0000
- -.0331 + 1.0000 = **.9669**

The size factors would be applied to the "use" values of the ag parcels to generate the Fair Market Value of the land. The "use" values are calculated by applying the base land schedule to the acreage associated with each use/productivity rating classification within the parcel.

In the example above, the size factor was calculated for the entire county without regard to accessibility areas. Considering the size of the large tracts, the appraiser may find this to be acceptable. However, if sales indicate a need to calculate a different size factor for each accessibility area, the appraiser may do so keeping in mind that the value of the standard marketable ag acreage must be adjusted for location.

Absorption Exercise

Develop a size factor for large ag tracts within a county where the following determinations were made:

- 5 parcels sold each year within an acre range of 100 to 200 acres (60% wooded / 40% open)
- Wooded acres sell for 1500/ac ; Open 2000/ac
- 2500 acres is largest ag parcel
- 8 % is expected rate of return

Interpolation Fair Market Value Exercise

Calculate the value of an 800 acre ag tract which is 80% open and 20% wooded. The value of the open land is 2000 per acre; the woodland value is 1500 per acre. The accessibility/desirability table that is to be used is as follows:

Acres	**Factor**
50.00	1.4335
100.00	1.0554
150.00	1.0000
2500.00	.8347

Contracting a Rural Land Revaluation

Many times the Board of Tax Assessors will require the services of a contractor to provide the resources to perform a revalution of rural land. In such cases, the Board will draft a RFP to be sent to contractors who are knowledgeable and experienced in the development of rural land schedules.

The Board should be careful when drafting the RFP to ensure that all aspects of the work to be performed are covered. A sample RFP can be found on the following pages.

REQUEST FOR PROPOSAL

REAPPRAISAL OF RURAL LAND

ANYCOUNTY COUNTY, GEORGIA

PROPOSALS DUE BY Time
Date

Anycounty County, Georgia

Request for Proposal
Reappraisal of Rural Land

The Anycounty County Board of Assessors is currently soliciting bids for the purpose of the reappraisal of all rural land (small and large tracts) within the county.

The Anycounty County Board of Assessors is charged by law with the responsibility of ensuring that property owners be assessed at fair market value as prescribed by Georgia Code; the Board must diligently search out and assess all taxable property in the county. One aspect of carrying out this responsibility is contracting with an outside firm to perform necessary functions to ensure that all property is fairly assessed. The contractor shall be familiar with and have a working knowledge of all Georgia Laws and Department of Revenue Rules and Regulations dealing with ad valorem taxation of real property.

All proposals submitted become the property of the County and will not be returned. The County is not responsible for any costs incurred by the vendor's in their preparation of proposals or presentations given. All expenses incurred by the vendor's pursuit of this award shall be borne by the vendor.

All bids should be based on the following specifications:

- All sales information will be provided to the company by the county in Map and Parcel order. The county shall be responsible for qualifying the sales.

- Neighborhood/location adjustment schedules shall be developed where market conditions deem such to be needed.

- The contractor shall make a land study of all land classes using appropriate units of value.

    - All studies performed: land study, small acre break analysis, benchmark rural land value per acre analysis, etc, shall be documented and presented to the county and will become property of the county upon completion and/or implementation.

- All land in rural tracts will be reviewed, classified, and valued according to productivity, topography, and etc. Woodlands and agricultural land will be broken down to nine classifications. Woodlands will be separated from open land and pastureland; all farm ponds will be identified, classed, and valued. The company shall show where all timber and improvement values have been appropriately removed from all sales in developing the small and large land tract schedules.

- The acreage level at which the valuation of small tracts end and large tracts begin will be determined by the company and the county board of assessors.

- Large and Small tract parcels in rural areas will be classified by accessibility and desirability characteristics. The company shall provide narrative descriptions defining all accessibility and desirability codes. Accessibility codes will be numeric; desirability will be indicated by use of alpha codes.

- The values of small tracts and large tracts surrounding the acreage level where the small tract schedule ends and the large tract schedule begins, should blend to show uniformity without a large increase/decrease of value within the same accessibility/desirability assignment.

- The small tract and large tract accessibility/desirability schedule will resemble a grid with the factor for each accessibility/desirability combination at each acre level. The accessibility codes will form the columns of the schedule with the desirability codes forming the sub-columns. The acreage intervals form the grid rows. All desirability codes must be reviewed in the field for accuracy.

- Factors that will be applied to base land values for small tracts and large tracts should be calculated to the fourth decimal place, and should extend from the smallest acreage level in the accessibility/desirability table to an acreage level representing the county's largest tract acreage. The table shall contain acre increments of 1.00 acre level to the small acre break. In addition, factors shall also be established at acre level increments below 1.00 acre at tenth acre increments. Table acre increments after the small acre break shall be determined by the vendor with approval by the Board of Assessors.

- All land schedules should comply with procedures defined in the Appraisal Procedures Manual as found in the Georgia Department of Revenue Regulation 560-11-10-.09.

- The company will record all data and information pertaining to the appraisal of the property on field cards furnished by the county. The field cards will be formatted for data

entry purposes within WinGap. The county appraisal staff will be responsible for entering the data.

- All schedules and values therein shall be the responsibility of the company. All schedules and units values shall be developed using current FMV sales of property in Anycounty County. In the case of large tracts of rural land, sales within a two year time period shall be used unless an inadequate number of sales are available. In which case, the time period for sales shall extend to a 4-year period. If inadequate sales are still not available, sales from surrounding counties shall be used. All schedules and unit values for each class of property shall be supported by ratio studies. The level of assessment indicated in each study shall not be less than 38.50% or greater than 41.00% for all property. The coefficient of dispersion in each study shall not exceed 13% for small tracts and 17% for large tracts. The price related differential shall be in a range of .98 to 1.07 for all property classes. Any study that does not meet all of the above listed criteria shall result in the schedule being rejected by the Board of Assessors.

- The company shall provide a minimum of twenty (20) hours per county appraiser of training in the appraisal techniques and procedures utilized by the company, thus allowing the county personnel to maintain future values once this program is in place. All designated staff members shall be trained in data gathering and verification.

- The company shall review and edit all data, information, and values prior to mailing of assessment notices. Said review will be conducted to verify equity between the fair market value of each parcel.

- The company shall have on staff an appraiser registered by the Georgia Real Estate Appraisers Board. In addition, the company shall provide competent representatives that are registered with the Georgia Real Estate Appraisers Board to assist the Board of Assessors at hearings with taxpayers when the assessed value is based on the reappraisal. The company shall defend said appraised values established during the reappraisal. The company shall provide the county documentation necessary to inform and advise the taxpayer of the rational for any assessment. This information must be in a format that is in compliance with the Georgia Taxpayers Bill of Rights. If any assessments are appealed to the Board of Equalization, the company shall also appear at the request of the Board of Assessors. The company shall furnish personnel for hearings for forty five (45) days. The company will specify per day charges for additional time required for hearings, it shall be stated whether the per diem includes expenses. A maximum expense limit shall also be provided.

- The company shall establish with county personnel a time and process schedule for each phase of the project.

- The company shall assist the county in planning dates and times for notices, hearings, reviews, etc.

- During the process of the work, the company shall endeavor to promote understanding and amicable relations with taxpayers and the public. For key positions, to include field personnel, the company will provide experienced employees at least 21 years of age, of good character, neat appearance, registered with the Georgia Real Estate Appraisers Board, and an adequate number of employees to perform the work in an accurate and timely manner. The company shall furnish the county with a resume specifying all employees' qualifications, experience, criminal background checks and prior work locations for county's approval before work shall begin.

- The company shall assist the proper county officials in the preparation of newspaper articles and other appropriate publicity, and all such newspaper articles, other public statements, and releases shall be approved, prior to release, by the Board of Assessors and the County Commissioners. The company shall, upon request, provide suitable speakers to acquaint groups and gatherings with the methods and merits of the project.

- Work shall be completed on or before the first (1) day of April 2009.

- Bids must be received no later than ***4:30 p.m. on Friday, August 10th, 2007.*** Any bid received after 4:30 p.m. on that date will not be accepted or considered. Any questions concerning the above specifications should be directed to Anycounty County, Chief Appraiser, by telephone at (478) (946-2076). Only written communications from the county or the company will be considered authorized changes. E-mail is not considered written communication.

- The Anycounty County Board of Assessors reserve the right to waive irregularities in any bid, to reject any and all bids with or without cause and/or to accept the bid that in their judgment will be for the best interest of Anycounty County. The county also reserves the right to request additional information or clarification from the vendor. At the discretion of the county, firms submitting proposals may be requested to make one or more oral presentations as part of the selection process at the expense of the company.

- The company shall furnish a list of references to include the following information:

    - Company Name
    - Principle Owner(s)
    - Business Address
    - List of completed county contracts during the last five (5) years with clients' address, telephone number, and contact person. At the Board of Assessors

discretion, the company must have completed at least three similar contracts with references from each.
  - List of county contracts in progress with clients address, telephone number, and contact person
  - Resumes of ALL personnel to be assigned to this project.
  - Statement listing any and all differences between your proposal and the work specified in the RFP
  - A detailed project schedule showing all events and milestones
  - Sample contract agreement for the proposed work.

- No alternative bids will be accepted.

- All bids will be sealed and the envelopes shall be marked clearly on the outside:

Sealed Bid
Reappraisal of Rural Land
Anycounty County, Georgia

- The county will not be responsible for the premature opening of a proposal, which is not properly addressed, marked, and sealed. Proposals received prior to the time of opening will be secured unopened. Proposals received after the scheduled receipt time will not be accepted and will be marked "RECEIVED AFTER SUBMISSION DATE" and returned unopened to the vendor. The proposal should be submitted and delivered to the ***Anycounty County Board of Assessors, ??? Unknown Street, Anytown, GA 00000*** or if mailed addressed to:

Anycounty County Board of Assessors
P.O. Box ????
Anytown, Georgia 00000

- The company shall furnish monthly invoices, itemizing the percentage of progress in each phase of the work, and reflecting the cost of work performed in the preceding month. The company shall receive payments in monthly installments based on the amount of work performed, beginning with the first day of the following calendar month in which work under the contract begins, provided however the county shall withhold 15% of each monthly installment pending satisfactory completion by the company of all its work and obligations under the contract. Payments may be withheld at any payment date provided

the progress and quality of work is unsatisfactory in the opinion of the Board of Assessors. The 15% retainer fee will be paid in full after all terms and specifications of the contract have been completed.

- If the company shall neglect, fail, or refuse to complete the work within the time specified, the company shall pay the county the amount of $200.00, not as penalty but as liquidated damages for such breach of contract, for each and every day the company shall be in default after the time stipulated in the contract for completing the work.

- Proposals must be typed. All corrections made by the vendor prior to opening must be initialed and dated by the vendor. No changes or corrections will be allowed after proposals are opened.

- All respondents should furnish the county with two (2) complete copies of the proposal. Each copy must contain a manual signature of an authorized representative of the proposing firm.

- Time is of the essence. The successful vendor will have thirty (30) days from the Date of Award to negotiate a contract with the county.

- All bidders/contractors must furnish proof of liability insurance and worker's compensation. The company shall assume all liability and risks for all damages and injuries to persons or property which shall or may arise or accrue out of the conduct of any activity relating to the performance of the Agreement by the company, its officials, employees, agents, or servants and shall indemnify and save harmless the county from any and all liability, actions causes of actions, suits, damages, attorneys fees, and costs which may arise or accrue due to the conduct of any activity relating to the performance of the Agreement by the company, its officers, employees, agents, or servants.

- The vendor must certify that there are no circumstances, which will cause a conflict of interest in performing the services required.

- Work shall begin within thirty (30) days of notification of acceptance, and be completed no later than April 1st, 2009.

- Any penalties imposed by the Georgia Department of Revenue for failure to correct digest defects will be the responsibility of the contractor/company.

- Submission of a proposal indicates acceptance by the company of the terms, conditions, and requirements described in the RFP unless clearly and specifically noted in the submittal.

See attached consolidation sheet for parcel and improvement information.
The _____ County Board of Tax Assessors is currently soliciting bids for the purpose of establishing classifications and values for rural land and timber within said county. The bids should be based on the following specifications:

1. All land in rural large tracts will be classified according to productivity, topography, etc. Woodland shall be separated from open land and so designated on maps. All orchards and farm ponds shall be identified and classed. The different land types and associated classes will be delineated on blue line copies of film positives or on photographs depending upon the discretion of the county. The county will furnish the photographs or blue-lines.

2. Location (accessibility) factors shall be established for rural large tracts. The factors will be set up in a table that can easily be formatted for computer input.

3. Extraction of timber values from the qualified sales shall be the responsibility of the vendor. All worksheets with timber calculations shall be submitted to the Board of Assessors

4. The company shall measure acreage in each classification delineated on maps.

5. Small parcels in rural areas shall be classified by accessibility and desirability characteristics. Accessibility codes will be numeric. Desirability will be indicated by the use of alpha codes.

6. Accessibility areas shall be delineated in general on a county road map and more specifically on the maps used to classify the large tracts. The desirability code for each small parcel shall be indicated on the same maps.

7. The small parcel schedule shall resemble a grid with a value per acre for each accessibility/desirability combination at each acre level. The accessibility codes shall form the columns of the schedule with the desirability codes forming sub-columns. The acreage intervals shall form the grid rows.

8. The acreage level at which the valuation of small parcels ends and large tracts begin shall be determined by the company.

9. All schedules and values therein shall be the responsibility of the company. All values for both large tracts and small parcels must be supported by ratio studies. There shall be a separate study for large and small tracts. The level of assessment indicated in either study shall not be less than_____ or greater than _____. The coefficient of

dispersion in either study shall not exceed twenty (17) percent. The price related differential shall fall within the range of .97 to 1.07, inclusive. Any study that does not meet the above listed criteria will be rejected by the assessors.

10. All work shall conform to Georgia Code and Rules & Regulations.

11. A breakdown of land types, classes, and acreages shall be recorded on computer forms or property record cards that will be furnished by the county.

12. (Optional, if county is not automating records) All calculations will be extended to the point of showing the final fair market value of the land and timber, both separately and together.

13. The company should include the cost of _____ days of hearings in the bid. Also, specify a per diem charge to include expenses for any additional days that might be required.

14. The cost for each phase of the job shall be listed within the bid.

15. Work should begin within one month of notification of acceptance of bid and be completed no later than _____.

Bids will be opened _____. Any bids received after _____ on _____ will not be accepted or considered. Any questions concerning the above specifications should be directed to _____ at the Assessor's Office or by phone at _____.

The _____ County Board of Commissioners and Assessors reserve the right to waive irregularities in any bid, to reject any or all bids with or without cause and/or to accept the bid that in their best judgment will be for the best interest of _____ County.

The company shall furnish a list of references with phone number for jobs done within the last five years. All work currently under contract shall be denoted with an asterisk (*).

Rural Land Case Problem

A number of sales were recorded in the Clerks of Superior Court's office three years after the original rural land schedule was established for County "B." The assessors have instructed their appraisers, ad they do each year, to study and analyze the sales to determine what, if any, changes need to be made to the rural land, timber, transitional, and small parcel schedules.

If any changes are indicated, new schedules for rural and timber should be prepared. Only classes with accompanying values need be submitted. The definitions of the classes will remain the same. It is not necessary to prepare a new small parcel schedule or a "small-big" tract factor table. Only indicate what changes, if any, should be made. All recommendations should be supported with qualified evidence.

Sale #	Acres	Sales Price	Access	Class	Ac / Cls	Timber Val
1	220	$129,500		I	100	
				II	50	
				III	70	
2	5.50	$13,700		4A		
3	1.00	$2,950		3C		
4	40	$24,100	4	II	40	
5	250	$118,000		II	175	4950
				W4A	75	
6	80	$8,200		IV	15	
				W5A	65	
7	20	$43,500		1C		
8	37	$16,200	5	III	25	
				IV	12	
9	3.45	$6,200		5C		
10	6	$11,900		4C		
11	150	$67,200		III	150	
12	12.25	$12,700		5E		
13	45	$25,100	1	I	20	
				W2A	20	
				W5A	5	
14	165	$116,900		I	150	
				W2A	15	
15	29	$23,700	2	I	10	4693
				W2A	19	
16	2.10	$8,400		2B		
17	17	$30,500		2D		

Sale #	Acres	Sales Price	Access	Class	Ac / Cls	Timber Val
18	315	$642,000		W2A	315	591,440
19	120	$7,200		W5A	120	
20	7.80	$15,200		3D		
21	1	$3,050		3C		
22	540	$386,100		II	200	192,825
				III	75	
				W1A	160	
				W2A	105	

Timber Valuation Worksheets

Timber Valuation Worksheet - Merchantable Timber				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Volume (Tons)**	**Unit Price**	**Value**	
Softwood Pulpwood				
Softwood Chip-n-Saw				
Softwood Sawtimber				
Softwood Poles				
Softwood Posts				
Softwood Fuelchips				
Hardwood Pulpwood				
Hardwood Sawtimber				
Hardwood Firewood				
Total Merchantible Timber Value				
Information Supplied by:				

Productivity-Volume Worksheet					
Map ID:			**Acres:**	**Date:**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt PW Vol**	**Wt CS Vol**
1					
2					
3					
4					
5					
6					
7					
8					
9					
Total Volume					

Productivity-Volume Worksheet					
Map ID:			**Acres:**	**Date:**	
	Volume – Tons/Acre				
Productivity	**Pulpwood**	**Chip-n-Saw**	**% of Stand Ac**	**Wt PW Vol**	**Wt CS Vol**
1					
2					
3					
4					
5					
6					
7					
8					
9					
Total Volume					

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking**	**Value**
Pulpwood				
Chip-n-Saw				
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Total Value (Total Value/Acre x Acres)				
Cost (Cost of Establishing Stand / Acre * Acres)				
Base Value (Total Value – Cost)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Accumulated Timber Growth (Average Annual Timber Growth * Age of				
Total Accumulated Value (Accumulated Timber Growth + Cost)				
Information Supplied by:				

Timber Valuation Worksheet - Pine Pre-Merchantable (Natural)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking**	**Value**
Pulpwood			.50	
Chip-n-Saw			.50	
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Base Value (Total Value/Acre x Acres)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Value of Accumulated Growth (Avg Annual Timber Growth * Age of Stand)				
Information Supplied by:				

Timber Valuation Worksheet - Hardwood Pre-Merchantable (Natural)				
Map ID:			Date:	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Vol(Tons)/Acre**	**Unit Price**	**Stocking**	**Value**
Pulpwood			.50	
Chip-n-Saw			.50	
Total Value/Acre (Pulpwood + Chip-n-Saw)				
Acres of Pre-Merch				
Base Value (Total Value/Acre x Acres)				
Age of Merch (15 is default; local conditions take precedance)				
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				
Age of Stand (in years)				
Value of Accumulated Growth (Avg Annual Growth * Age of Stand *.40)				
Information Supplied by:				

Timber Value Summary	
Map ID:	Date:
Timber Type	**Value**
Merchantable	
Pine Pre-Merchantable (Planted)	
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	

Timber Valuation- Exercise 1

Timber Valuation Worksheet - Merchantabile Timber				
Map ID: 030-012			**Date: 07/25/17**	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	**Volume (Tons)**	**Unit Price**	**Value**	
Softwood Pulpwood	**400**	**13.32**	**5,328**	
Softwood Chip-n-Saw	**2200**	**19.68**	**43,296**	
Softwood Sawtimber	**7600**	**27.07**	**205,732**	
Softwood Poles				
Softwood Posts				
Softwood Fuelchips				
Hardwood Pulpwood				
Hardwood Sawtimber	**1100**	**31.26**	**34,386**	
Hardwood Firewood				
Total Merchantible Timber Value			**288,742**	
Information Supplied by:				

Timber Valuation – Exercise 1

Productivity-Volume Worksheet					
Map ID: 030-012 (8 yr old stand)			Acres: 25.00	Date: 07/25/17	
	Volume – Tons/Acre				
Productivity	Pulpwood	Chip-n-Saw	% of Stand Ac	Wt PW Vol	Wt CS Vol
1					
2	93	10	20	18.60	2.00
3					
4	77	8	32	24.64	2.56
5	70	8	48	33.60	3.84
6					
7					
8					
9					
			Total Volume	76.84	8.40

Productivity-Volume Worksheet					
Map ID: 030-012 (14 yr old stand)			Acres: 24.00	Date: 07/25/17	
	Volume – Tons/Acre				
Productivity	Pulpwood	Chip-n-Saw	% of Stand Ac	Wt PW Vol	Wt CS Vol
1					
2					
3	84	9	10.00 acs - 42	35.28	3.78
4					
5					
6	63	4	14.00 acs – 58	36.54	2.32
7					
8					
9					
			Total Volume	71.82	6.10

Timber Valuation – Exercise 1

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID: 030-012 (8 yr old stand)			Date: 07/25/17	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	Vol(Tons)/Acre	Unit Price	Stocking	Value
Pulpwood	76.84	13.32	.80	819
Chip-n-Saw	8.40	19.68	.80	132
Total Value/Acre (Pulpwood + Chip-n-Saw)				951
Acres of Pre-Merch				25.00
Total Value (Total Value/Acre x Acres)				23,775
Cost (Cost of Establishing Stand / Acre * Acres)				2,750
Base Value (Total Value – Cost)				21,025
Age of Merch (15 is default; local conditions take precedance)				15
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				1,402
Age of Stand (in years)				8
Accumulated Timber Growth (Average Annual Timber Growth * Age of				11,216
Total Accumulated Value (Accumulated Timber Growth + Cost)				13,966
Information Supplied by:				

Timber Valuation – Exercise 1

Timber Valuation Worksheet - Pine Pre-Merchantable (Planted)				
Map ID: 030-012 (14 yr old stand)			Date: 07/25/17	
Buyer/Seller Value:				
Estimated Value Calculations				
Product Class	Vol(Tons)/Acre	Unit Price	Stocking	Value
Pulpwood	71.82	13.32	.80	765
Chip-n-Saw	6.10	19.68	.80	96
Total Value/Acre (Pulpwood + Chip-n-Saw)				861
Acres of Pre-Merch				24.00
Total Value (Total Value/Acre x Acres)				20,664
Cost (Cost of Establishing Stand / Acre * Acres)				2,640
Base Value (Total Value – Cost)				18,024
Age of Merch (15 is default; local conditions take precedance)				15
Average Annual Timber Growth (Base Value ÷ Age of Merchantability)				1,202
Age of Stand (in years)				14
Accumulated Timber Growth (Average Annual Timber Growth * Age of				16,828
Total Accumulated Value (Accumulated Timber Growth + Cost)				19,468
Information Supplied by:				

Timber Valuation – Exercise 1

Timber Value Summary	
Map ID: 030-012	**Date: 07/25/17**
Timber Type	**Value**
Merchantable	**288,742**
Pine Pre-Merchantable (Planted)	**13,966 + 19,468 = 33,434**
Pine Pre-Merchantable (Natural)	
Hardwood Pre-Merchantable	
Total Value of all Timber Types	**322,176**

Rural Land Sales-Assessment Ratio Study
Large Tracts

Sale #	Sales Price	Adj Sales Price	Assmt	Ratio	Dev
1	180,000	180,000	69,800	.3878	.0071
2	275,000	88,850	33,000	.3714	.0235
3	300,000	214,850	80,800	.3761	.0188
4	110,000	110,000	42,000	.3818	.0131
5	60,000	60,000	24,600	.4100	.0151
6	260,000	99,980	39,060	.3907	.0042
7	140,000	134,500	54,960	.4086	.0137
8	143,000	86,600	35,220	.4067	.0118
9	148,000	148,000	60,080	.4059	.0110
10	300,000	224,030	89,440	Orchard	0
11	115,200	81,335	31,200	Orchard	0
12	195,800	195,800	76,640	Orchard	0
13	69,600	69,600	26,400	.3793	.0156
14	112,400	51,000	20,400	.4000	.0051
15	93,500	93,500	37,400	.3991	.0042
Totals		1,336,880	523,720	4.7174	0.1432

Median = (.3907 + .3991)/2 = .3949
Mean = 4.7174 / 12 = .3931
Agg Ratio = 523,720 / 1,336,880 = .3917
Mean Dev = .1432 / 12 = .0119
COD = .0119 / .3949 = .0302
PRD = .3931 / .3917 = 1.0036

Rural Land Sales-Assessment Ratio Study (Large Tracts)

Sale #	Acres	Sales Price	Assmt	Ratio	Dev
1	300.00	180,000	69,800	.3878	.0073
2	275.00	275,000	107,460	.3908	.0043
3	410.00	300,000	114,860	.3829	.0122
4	150.00	110,000	42,000	.3818	.0133
5	248.00	60,000	24,600	.4100	.0149
6	398.00	260,000	103,068	.3964	.0013
7	267.00	140,000	57,160	.4083	.0132
8	320.00	143,000	57,780	.4041	.0090
9	288.00	148,000	60,080	.4059	.0108
10	225.00	300,000	119,828	.3994	.0043
11	178.00	115,200	44,746	.3884	.0067
12	205.00	195,800	76,640	.3914	.0037
13	180.00	69,600	26,400	.3793	.0158
14	125.00	113,800	44,960	.3951	.0000
15	135.00	93,700	37,400	.3991	.0040
16	43.00	27,000	9,160	.3393	.0425
17	28.00	39,000	8,960	.2297	.1521
18	26.00	21,850	6,240	.2856	.0962
19	48.00	17,640	7,840	.4444	.0626
20	35.00	11,375	2,800	.2462	.1356
21	38.00	27,770	8,560	.3082	.0736
22	26.00	5,540	1,760	.3177	.0641
23	34.00	22,800	7,200	.3158	.0660
24	35.00	38,750	10,240	.2643	.1175
25	49.00	28,065	9,160	.3264	.0554
Totals		2,743,890	1,058,702	8.9983	0.9864

Median = .3818 Mean Dev = .0423
Mean = .3583 COD = .1107
Agg Ratio = .3813 PRD = .9397

Absorption Exercise

- Develop a size factor for large ag tracts within a county where the following determinations were made:
  - 5 parcels sold each year within an acre range of 100 to 200 acres (60% wooded / 40% open)
  - Wooded acres sell for 1500/ac ; Open 2000/ac
  - 2500 acres is largest ag parcel
  - 8 % is expected rate of return

1. **Rate of Absorption = 5 sales at an acre level of 150**

2. **2,500 acre large tract is subject**
   a. 150 acres is size of standard ag tract and 5 are sold each year
   b. Mkt Sections =2,500 / (150 * 5)
   c. Mkt Sections = 2,500 / 750
   d. Mkt Sections = 3

3. **Value of 750 mkt acreage = 1,275,000**
   a. 450 * 1500 = 675,000
   b. 300 * 2000 = 600,000

4. **Discount income to present value**

Year	Value	Rate	Present Worth
0	1,275,000	8.00	1,275,000
1	1,275,000	8.00	1,180,556
2	1,275,000	8.00	1,093,107

5. **Sum resulting present values**

Year	Value	Rate	Present Worth
0	1,275,000	8.00	1,275,000
1	1,275,000	8.00	1,180,556
2	1,275,000	8.00	1,093,107
		Total Value	3,548,663

6. **Determine size adjustment**
    a. Value of std mkt tract of 150 acres = (150 * .60 * 1500) + (150 * .40 * 2000) = 255,000
    b. Value of 2,500 acre tract = 3,548,663
    c. Size Adj = $ per ac of large tract / $ per ac of std tract
    d. Size Adj = 1,419 / 1,700
    e. Size Adj = .8347

Fair Market Value Exercise

Calculate the FMV for a 800 acre parcel which is 80% open and 20% wooded. The following accessibility/desirability table is in use.

Acres	Factor
50.00	1.4335
100.00	1.0554
150.00	1.0000
2500.00	.8347

- Use Value = (800 ac * .80 * 2000/ac) + (800 ac * .20 * 1500/ac)
- UV = 1,280,000 + 240,000 = 1,520,000
- Size Factor = (((800 – 150) / (2500 –150)) * (.8347 – 1.0000)) + 1.0000
- SF = ((650 / 2350) * –.1653) + 1.0000
- SF = (.2766 * –.1653) + 1.0000
- SF = -.0457 + 1.0000 = .9543
- FMV = 1,520,000 * .9543 = 1,450,536