

House Bill 1031 (COMMITTEE SUBSTITUTE)

By: Representatives Washburn of the 144<sup>th</sup>, Knight of the 134<sup>th</sup>, Martin of the 49<sup>th</sup>, Crowe of the 118<sup>th</sup>, Blackmon of the 146<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad  
2 valorem taxation of property, so as to provide for minimum mandatory reappraisal of parcels;  
3 to provide requirements for ad valorem property tax bills; to revise provisions relative to  
4 appeals; to provide that county boards of tax assessors shall have the right to appeal under  
5 certain conditions; to revise a prohibition on increasing new valuations established by appeal  
6 decision or agreement; to provide for notice; to provide for proceedings; to provide for fees;  
7 to provide for refunds owed to the taxpayer; to require estimated roll-back rate information  
8 on and remove estimates of current year's taxes from annual notices of current assessment;  
9 to provide for a definition; to provide for related matters; to repeal conflicting laws; and for  
10 other purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

13 Chapter 5 of Title 48 of the Official Code of Georgia Annotated, relating to ad valorem  
14 taxation of property, is amended in Code Section 48-5-2, relating to definitions, by adding  
15 a new paragraph to read as follows:

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16 "(2.1) 'Estimated roll-back rate' means the current year's estimated millage rate minus the  
17 millage equivalent of the total net assessed value added by reassessments:

18 (A) As calculated and certified to the tax commissioner by the levying authority for  
19 county and educational tax purposes; and

20 (B) As calculated and certified to the collecting officer of the municipality by the  
21 levying authority for municipal tax purposes."

## 22 **SECTION 2.**

23 Said chapter is further amended in Article 1 by adding a new Code section to read as follows:

24 "48-5-34.

25 (a) The ad valorem property tax bill form shall be prepared annually by the county tax  
26 commissioner or collector and furnished to each taxpayer who owes state, county, or  
27 county school tax for the current tax year. The form shall provide the total amount of such  
28 taxes levied on property owned by the taxpayer, the amount of property tax credit granted  
29 by Act of the 1973 Session of Georgia's General Assembly, and the net amount of such  
30 taxes due for the current tax year.

31 (b) In addition to the requirements of subsection (a) of this Code section, regarding any  
32 ad valorem property tax bill where the millage rate adopted by a tax authority exceeds the  
33 estimated roll-back rate, such tax bill shall include a notice containing the name of such  
34 taxing authority and the following statement in bold print:

35 'The adopted millage rate exceeds the estimated roll-back rate as stated in the annual  
36 notice of assessment that you previously received for this taxable year, which will  
37 result in an increase in the amount of property tax that you will owe.'

## 38 **SECTION 3.**

39 Said title is further amended in Code Section 48-5-264, relating to designation and duties of  
40 chief appraiser, by adding a new subsection to read as follows:

41 "(d) The chief appraiser shall ensure that every parcel in his or her respective county is  
 42 appraised at least every three years."

43 **SECTION 4.**

44 Code Section 48-5-274 of the Official Code of Georgia Annotated, relating to the  
 45 establishment of equalized adjusted property tax digest, establishment and use of average  
 46 ratio, information to be furnished by state auditor, grievance procedure, and information to  
 47 be furnished by commissioner, is amended as follows:

48 "48-5-274.

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

50 (1) 'Assessment ratio' means the fractional relationship between the assessed value and  
 51 the fair market value of the property.

52 (2) 'County' means each county governing authority, each governing authority of a  
 53 municipality having an independent school system, each local board of education, the tax  
 54 commissioner, and the county board of tax assessors.

55 ~~(2)~~(3) 'Measures of central tendency' means the tendency of data to cluster around some  
 56 typical or central value, such as the median ratio, the mean ratio, or the weighted mean  
 57 ratio, also called the aggregate ratio, as defined in the Standard on Assessment-Ratio  
 58 Studies published by the International Association of Assessing Officers.

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

67 of personnel as is deemed necessary in order to establish and maintain on a continuing  
68 basis the equalized adjusted property tax digest. The equalized adjusted property tax digest  
69 shall be established and maintained as follows:

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

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

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

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

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

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

89 (6.1) Determine any adjustment necessary to account for the net activities on any digest  
90 due to the activities of a joint authority as provided in Code Section 36-62-5.1;

91 (7) The total of the sums obtained through the calculations prescribed in  
92 paragraphs (2), (3), (4), (5), (6), and (6.1) of this subsection shall be known as the current  
93 equalized adjusted property tax digest of the county. The sum of the current equalized

94 adjusted property tax digest of all counties of the state combined shall be known as the  
95 current equalized adjusted property tax digest for the state as a whole; and  
96 (8) Establish for each county in the state the ratio of assessed value to fair market value  
97 of county property subject to taxation, excluding railroad equipment company property.  
98 The ratio shall be determined by establishing the ratio of assessed value to sales price for  
99 each of a representative number of parcels of real property, the titles to which were  
100 during a period of time to be determined by the state auditor, and then by establishing the  
101 measure of central tendency for the county as a whole based upon a representative  
102 number of usable transactions studied. Any such sales price shall be adjusted upward or  
103 downward, in a manner consistent with the Standard on Ratio Studies published by the  
104 International Association of Assessing Officers or its successors, as reasonably needed  
105 to account for the effects of price changes reflected in the market between the date of sale  
106 and January 1 of the calendar for which the equalized adjusted property tax digest is  
107 being prepared. Sales prices also shall be reduced by any portion thereof attributable to  
108 personal property, real property exempt from taxation, or standing timber, or physical  
109 changes unreported to the board of assessors and included in the sales transaction. The  
110 representative number of transactions shall not include any parcel of which the sales price  
111 is not reflective of the fair market value of such property as fair market value is defined  
112 in Code Section 48-5-2. The state auditor shall supplement realty sales price data  
113 available in any county with actual appraisals of a representative number of parcels of  
114 farm property and industrial and commercial property located within the county, the titles  
115 to which were not transferred within the period of time determined by the state auditor.  
116 The state auditor may make appraisals on other types of real property located within the  
117 county when adequate realty sales data cannot be obtained on such property. The  
118 representative number of parcels of each class of real property as defined by the  
119 commissioner used for the study shall be determined by the state auditor. The state

120 auditor may use the same ratio for other personal property, excluding motor vehicles,  
121 within the county as is finally determined for real property within the county.

122 (c) The assessment ratio of assessed value to fair market value of county property to be  
123 established by the state auditor for the purposes of paragraph (8) of subsection (b) of this  
124 Code section shall be established through the use of personnel of the Department of Audits  
125 and Accounts who have sufficient competence and expertise by way of education, training,  
126 and experience in the fields of property evaluation and appraisal techniques. The  
127 Department of Audits and Accounts shall use the Standard on Assessment-Ratio Studies  
128 published by the International Association of Assessing Officers or its successors  
129 commissioner to determine the valid transactions necessary to establish accurately the  
130 measure of central tendency described in paragraph (8) of subsection (b) of this Code  
131 section; provided, however, that standard shall only be used to the extent it does not  
132 conflict with criteria enumerated in subparagraph (B) of paragraph (3) of Code  
133 Section 48-5-2.

134 (d) The assessment ratio of assessed value to fair market value determined for each county  
135 shall be used as provided for in this Code section until such time as a new ratio is  
136 determined on a continuing basis for each county. The state auditor shall provide to the  
137 commissioner the assessment ratio of assessed value to fair market value for all counties  
138 upon completion. Except for use under Article 6 of Chapter 2 of Title 20, the 'Quality  
139 Basic Education Act', the ratio the state auditor shall use for all other purposes is the  
140 median ratio, coefficient of dispersion, and the price related differential for all classes of  
141 property the board of tax assessors approves as its final ratios upon completion of the digest  
142 for the tax year.

143 (e) On or before November 15 of each year, the state auditor shall furnish to the State  
144 Board of Education the current equalized adjusted property tax digest of each county in the  
145 state and the current equalized adjusted property tax digest for the state as a whole. In any  
146 county which has more than one school system, the state auditor shall furnish the State

147 Board of Education a breakdown of the current county equalized adjusted property tax  
148 digest showing the amount of the digest applicable to property located within each of the  
149 school systems located within the county. At the same time, the state auditor shall furnish  
150 the governing authority of each county, the governing authority of each municipality  
151 having an independent school system, the local board of education of each school system,  
152 the tax commissioner or tax collector of each county, and the board of tax assessors of each  
153 county the current equalized adjusted property tax digest of the local school system or  
154 systems, as the case may be, and the current equalized adjusted property tax digest for the  
155 state as a whole.

156 (f)(1) Each county governing authority, each governing authority of a municipality  
157 having an independent school system, ~~and each local board of education, and each county~~  
158 board of tax assessors, when aggrieved or when having an aggrieved constituent, shall  
159 have a right, upon written request made within 30 days after receipt of the digest  
160 information, to refer the question of correctness of the current equalized adjusted property  
161 tax digest of the local school system to the state auditor. The state auditor shall take any  
162 steps necessary to make a determination of the correctness of the digest and to notify all  
163 interested parties of the determination within 45 days after receiving the request  
164 questioning the correctness of the digest.

165 (2)(A) If any party questioning the correctness of the digest is dissatisfied with the  
166 determination made by the state auditor pursuant to paragraph (1) of this subsection, the  
167 party shall have the right, which must be exercised within 15 days after being notified  
168 of the determination made by the state auditor, to refer in writing the question of the  
169 correctness of the digest to a board of arbitrators.

170 (B) Each board of arbitrators shall consist of three members, one to be chosen by the  
171 state auditor within 15 days after receipt of a written complaint, one to be chosen by the  
172 complaining party at the time of requesting the arbitration, and one to be chosen  
173 within 15 days after selection of the first two members by the first two members of the

174 board. In the event the two arbitrators cannot agree on a third member, the Chief  
175 Justice of the Supreme Court of Georgia shall appoint the third member upon petition  
176 of either party with notice to the opposing party.

177 (C) The board of arbitrators or a majority of the board within 15 days after  
178 appointment of the full board shall render its decision regarding the correctness of the  
179 digest in question and, if correction of the digest is required, regarding the extent and  
180 manner in which the digest should be corrected. ~~The decision of the board shall be~~  
181 ~~final.~~

182 (g)(1) The state auditor, each county governing authority, each governing authority of  
183 a municipality having an independent school system, each local board of education, and  
184 each respective county board of tax assessors may appeal decisions of the arbitrators, as  
185 applicable, to the superior court of the county in which the equalized digest is performed.  
186 An appeal shall specifically state the grounds for such appeal and shall be affected by  
187 emailing, by mailing to, or by filing with the state auditor within 30 days from the date  
188 on which the decision of the arbitrators is delivered pursuant to this Code section.

189 (2) Notwithstanding any other provision of law to the contrary, the amount of the filing  
190 fee for an appeal under this subsection shall be \$25.00. An appeal under this subsection  
191 shall not be subject to any other fees or additional costs otherwise required under any  
192 provision of Title 15 or under any other provision of law.

193 (3) Within 30 days of receipt of the payment made out to the clerk of the superior court,  
194 the county board of tax assessors shall file with the clerk of the superior court any papers  
195 specified by the person appealing, including, but not limited to, the staff information from  
196 the file used by the county board of tax assessors and state auditor.

197 (4) Immediately following payment of such \$25.00 filing fee provided by subsection (i)  
198 of this Code section to the clerk of the superior court, the clerk shall remit the proceeds  
199 thereof to the governing authority of the county which shall deposit the proceeds into the  
200 general fund of the county. All papers and information filed with the clerk shall become

201 a part of the record on appeal to the superior court. At the time of the filing of the appeal,  
202 the county board of tax assessors shall serve the state auditor and attorney of record, if  
203 any, with a copy of the appeal filed in the superior court and with the civil action file  
204 number assigned to the appeal. Such service shall be affected in accordance with  
205 subsection (b) of Code Section 9-11-5. No discovery, motions, or other pleadings may  
206 be filed by the county board of tax assessors in the appeal until such service has been  
207 made.

208 (5) The appeal shall be placed on the court's next available jury or bench trial calendar,  
209 at the appealing party's election, following the filing of the appeal unless continued by  
210 the court. If only questions of law are presented in the appeal, the appeal shall be heard  
211 as soon as practicable before the court sitting without a jury. Each hearing before the  
212 court sitting without a jury at the appealing party's election shall be held within 30 days  
213 following the date on which the appeal is filed with the clerk of the superior court unless  
214 continued by the court for a period not to exceed 90 days. If, at any time during the  
215 appeal process to the superior court, the county and the state auditor mutually agree in  
216 writing to the correctness of the digest, the appeal shall be concluded. If the final  
217 determination of the equalized adjusted property tax digest on appeal:

218 (A) Is less than the valuation thus used, the tax commissioner shall be authorized to  
219 adjust the taxpayer's tax bill to reflect the final decision for the year in question; or

220 (B) Is greater than the decision of the board of arbitrators, superior court, or written  
221 agreement, as applicable, causes an increase in taxes, and creates an additional billing,  
222 it shall be paid to the tax commissioner as any other tax due along with interest.

223 (h) The county board of tax assessors shall use the decision of the board of arbitrators,  
224 superior court, or written agreement as applicable in compiling the tax digest for the county  
225 for the year in question. The board of arbitrators and the state auditor shall also have the  
226 following powers and duties:

227 ~~(D)~~(1) The state auditor shall correct the digest in question in accordance with the  
228 decision of the board of arbitrators, superior court, or written agreement and shall report  
229 the corrections to the parties entitled to receive such information under this Code section;

230 ~~(E)~~(2) Each member of the board of arbitrators shall subscribe to an oath to perform  
231 faithfully and impartially the duties required in connection with the controversy  
232 concerning the correctness of the digest in question and to render a decision within the  
233 time required. Each member of the board of arbitrators shall be paid a sum not to  
234 exceed \$250.00 for each appeal heard. In addition, each member of the board shall  
235 receive the same daily expense allowance as is provided for each member of the General  
236 Assembly and actual transportation costs when traveling by public carrier or the legal  
237 mileage rate when traveling by personal automobile. All costs of arbitration of matters  
238 arising under this Code section shall be shared and paid equally by the Department of  
239 Audits and Accounts and by the governing authority requesting the arbitration; and

240 (3) Upon receiving notice that the current equalized adjusted property tax digest of any  
241 local school system is being questioned pursuant to paragraph (1) of this subsection, the  
242 state auditor shall notify the State Board of Education that the digest is being questioned.  
243 No computations shall be made on the basis of a questioned digest under Article 6 of  
244 Chapter 2 of Title 20, the 'Quality Basic Education Act,' until the digest has been  
245 corrected, if necessary, pursuant to this subsection.

246 ~~(g)~~(i) The commissioner shall provide to the state auditor such digest information as is  
247 needed in the calculation of the equalized adjusted property tax digests. Such information  
248 shall be provided for each county and for each local school system. For independent  
249 school systems in municipalities authorized to assess property in excess of 40 percent of  
250 fair market value pursuant to Code Section 48-5-7, the commissioner shall provide digest  
251 information to the state auditor at the assessment ratios utilized by both the municipal  
252 government and the county government or governments in which the municipality is  
253 located. If revision is made to the digest of any county or any portion of a county

254 comprising a local school system following the initial reporting of the digest to the state  
255 auditor, the commissioner shall report any such revision to the state auditor."

256 **SECTION 5.**

257 Code Section 48-5-299 of the Official Code of Georgia Annotated, relating to ascertainment  
258 of taxable property, assessments against unreturned personal property, penalty for unreturned  
259 property, and changing real property values established by appeal in prior year or stipulated  
260 by agreement, is amended by revising subsection (c) as follows:

261 "(c) When the value of real property is reduced ~~or is unchanged~~ from the value on the  
262 initial annual notice of assessment or a corrected annual notice of assessment issued by the  
263 board of tax assessors and such reduced valuation has been established as the result of an  
264 appeal decision rendered by the board of equalization, hearing officer, arbitrator, or  
265 superior court pursuant to Code Section 48-5-311 or stipulated by written agreement signed  
266 by the board of tax assessors and taxpayer or taxpayer's authorized representative, the new  
267 valuation so established by appeal decision or agreement may not be increased by the board  
268 of tax assessors during the next two successive years, unless otherwise agreed in writing  
269 by both parties, subject to the following exceptions:

270 (1) This subsection shall not apply to a valuation established by an appeal decision if the  
271 taxpayer or his or her authorized representative failed to attend the appeal hearing or  
272 provide the board of equalization, hearing officer, or arbitrator with some written  
273 evidence supporting the taxpayer's opinion of value;

274 (2) This subsection shall not apply to a valuation established by an appeal decision or  
275 agreement if the taxpayer files a return at a different valuation during the next two  
276 successive years;

277 (3) Unless otherwise agreed in writing by both parties, if the taxpayer files an appeal  
278 pursuant to Code Section 48-5-311 during the next two successive years, the board of tax  
279 assessors, the board of equalization, hearing officer, or arbitrator may increase or

280 decrease the value of the real property based on the evidence presented by the taxpayer  
281 during the appeal process; and

282 (4) The board of tax assessors may increase or decrease the value of the real property if,  
283 after a visual on-site inspection of the property, it is found that there have been substantial  
284 additions, deletions, or improvements to such property or that there are errors in the board  
285 of tax assessors' records as to the description or characterization of the property, or the  
286 board of tax assessors finds an occurrence of other material factors that substantially  
287 affect the current fair market value of such property."

288 **SECTION 6.**

289 Said title is further amended in Code Section 48-5-306, relating to annual notice of current  
290 assessment, contents, posting notice, and new assessment description, by revising  
291 paragraphs (1) and (2) of subsection (b) as follows:

292 "(1) The annual notice of current assessment required to be given by the county board  
293 of tax assessors under subsection (a) of this Code section shall be dated and shall contain  
294 the name and last known address of the taxpayer. The annual notice shall conform with  
295 the state-wide uniform assessment notice which shall be established by the commissioner  
296 by rule and regulation and shall contain:

297 (A) The amount of the previous assessment;

298 (B) The amount of the current assessment;

299 (C) The year for which the new assessment is applicable;

300 (D) A brief description of the assessed property broken down into real and personal  
301 property classifications;

302 (E) The fair market value of property of the taxpayer subject to taxation and the  
303 assessed value of the taxpayer's property subject to taxation after being reduced;

304 (F) The name, phone number, and contact information of the person in the assessors'  
305 office who is administratively responsible for the handling of the appeal and who the

306 taxpayer may contact if the taxpayer has questions about the reasons for the assessment  
307 change or the appeals process;

308 (G) If available, the website address of the office of the county board of tax assessors;  
309 **and**

310 (H) A statement that all documents and records used to determine the current value are  
311 available upon request; **and**

312 (I) The current year's estimated roll-back rate;

313 (2)(A) In addition to the items required under paragraph (1) of this subsection, the notice  
314 shall contain a statement of the taxpayer's right to an appeal ~~and an estimate of the current~~  
315 ~~year's taxes for all levying authorities~~ which shall be in substantially the following form:  
316 'The amount of your ad valorem tax bill for this year will be based on the appraised and  
317 assessed values specified in this notice. You have the right to appeal these values to the  
318 county board of tax assessors. At the time of filing your appeal you must select one of  
319 the following options:

320 (i)(A) An appeal to the county board of equalization with appeal to the superior court;

321 (ii)(B) To arbitration without an appeal to the superior court; or

322 (iii)(C) For a parcel of nonhomestead property with a fair market value in excess of  
323 \$500,000.00 as shown on the taxpayer's annual notice of current assessment under this  
324 Code section, or for one or more account numbers of wireless property as defined in  
325 subparagraph (e.1)(1)(B) of Code Section 48-5-311 with an aggregate fair market value  
326 in excess of \$500,000.00 as shown on the taxpayer's annual notice of current  
327 assessment under this Code section, to a hearing officer with appeal to the superior  
328 court.

329 If you wish to file an appeal, you must do so in writing no later than 45 days after the  
330 date of this notice. If you do not file an appeal by this date, your right to file an appeal  
331 will be lost. For further information on the proper method for filing an appeal, you may

332 contact the county board of tax assessors which is located at: (insert address) and which  
333 may be contacted by telephone at: (insert telephone number).'

334 ~~(B) The notice shall also contain the following statements in bold print:~~

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

339 **SECTION 7.**

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