House Bill 997 (AS PASSED HOUSE AND SENATE)

By: Representatives Watson of the 172<sup>nd</sup>, England of the 116<sup>th</sup>, Burns of the 159<sup>th</sup>, Buckner of the 137<sup>th</sup>, Hatchett of the 150<sup>th</sup>, and others

## A BILL TO BE ENTITLED AN ACT

- 1 To amend Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia
- 2 Annotated, relating to property tax exemptions, so as to provide for a state-wide exemption
- 3 from all ad valorem taxes for certain equipment used by timber producers to produce or
- 4 harvest timber; to provide for a referendum; to provide for effective dates, applicability, and
- 5 automatic repeal; to provide for compliance with constitutional requirements; to provide for
- 6 related matters; to repeal conflicting laws; and for other purposes.

## 7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

- 8 SECTION 1.
- 9 Part 1 of Article 2 of Chapter 5 of Title 48 of the Official Code of Georgia Annotated,
- 10 relating to property tax exemptions, is amended by adding a new Code section to read as
- 11 follows:
- *"*48-5-41.3.
- 13 (a) As used in this Code section, the term:
- 14 (1) 'Timber equipment' means:

15 (A) Any equipment other than motor vehicles, whether fixed or mobile, which is 16 owned by or held under a lease-purchase agreement by a timber producer and directly 17 used in the production or harvest of timber. 18 (B)(i) Equipment used in harvesting shall include all off-road equipment and related attachments used in every forestry procedure starting with the severing of a tree from 19 20 the ground until and including the point at which the tree or its parts in any form has 21 been loaded in the field in or on a truck or other vehicle for transport to the place of 22 use. 23 (ii) Such off-road equipment shall include, but not be limited to, skidders, feller bunchers, debarkers, delimbers, chip harvesters, tub-grinders, woods cutters, chippers 24 of all types, loaders of all types, dozers, mid-motor graders, and the related 25 26 attachments. 27 (2) 'Timber producer' means any one or more individuals or any entity, which is 28 registered to do business in this state, that is primarily engaged in the good faith 29 subsistence or commercial production or harvest of timber products. Such persons may 30 also be engaged in one or more of the following secondary practices: 31 (A) Land conservation and ecological forest management in which commercial 32 production of wood and wood fiber products may be undertaken primarily for 33 conservation and restoration purposes rather than financial gain; 34 (B) The promotion, preservation, or management of wildlife habitat; 35 (C) Carbon sequestration in accordance with the Georgia Carbon Sequestration 36 Registry; 37 (D) Mitigation and conservation banking that results in restoration or conservation of 38 wetlands and other natural resources; or 39 (E) The production and maintenance of ecosystem products and services, such as, but

not limited to, clean air and water.

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41 (3) 'Timber products' means trees, timber, or other wood and wood fiber products grown

- 42 <u>from or on the land.</u>
- 43 (b) On and after January 1, 2023, timber equipment shall be exempt from all ad valorem
- 44 <u>property taxes in this state."</u>

45 SECTION 2.

- 46 The Secretary of State shall call and conduct an election as provided in this section for the
- 47 purpose of submitting this Act to the electors of the entire state for approval or rejection. The
- 48 Secretary of State shall conduct such election on the Tuesday next following the first
- 49 Monday in November, 2022, and shall issue the call and conduct that election as provided
- 50 by general law. The Secretary of State shall cause the date and purpose of the election to be
- 51 published once a week for two weeks immediately preceding the date thereof in the official
- organ of each county in the state. The ballot shall have written or printed thereon the words:
- 53 "( ) YES Shall the Act be approved which grants a state-wide exemption from all ad
- 54 () NO valorem taxes for certain equipment used by timber producers in the
- production or harvest of timber?"
- All persons desiring to vote for approval of the Act shall vote "Yes," and all persons desiring
- 57 to vote for rejection of the Act shall vote "No." If more than one-half of the votes cast on
- such question are for approval of the Act, Section 1 of this Act shall become of full force and
- effect on January 1, 2023, and shall be applicable to all tax years beginning on or after such
- 60 date. If the Act is not so approved or if the election is not conducted as provided in this
- section, Section 1 of this Act shall not become effective, and this Act shall be automatically
- 62 repealed on the first day of January immediately following that election date. It shall be the
- 63 duty of each county election superintendent to certify the result thereof to the Secretary of
- 64 State.

65 **SECTION 3.** 

- 66 Except as otherwise provided in Section 2 of this Act, this Act shall become effective upon
- 67 its approval by the Governor or upon its becoming law without such approval.

68 SECTION 4.

- 69 In accordance with the requirements of Article VII, Section II, Paragraph II(a)(1) of the
- 70 Constitution of the State of Georgia, Section 1 of this Act shall not become law unless it
- 71 receives the requisite two-thirds' majority vote in both the Senate and the House of
- 72 Representatives.

73 **SECTION 5.** 

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