

MORATORIUM ON INCREASES IN ASSESSED VALUE
2009 HOUSE BILL 233

The Governor approved House Bill 233 on May 5, 2009, and it is 2009 Act Number 163. By its terms, House Bill 233 was effective upon its approval by the Governor.

House Bill 233 adds a new Chapter 5B to Title 48. Section 48-5B-1(a) provides that the General Assembly "... finds that the citizens and property owners of this state are experiencing a crisis in the reduction of value of tangible property of unprecedented magnitude and that it is in the best interests of this state that immediate action be taken to secure the economic stability of all Georgians." Said Section continues "[T]his crisis is having a devastating effect on the economy of the State of Georgia, and this Code section is enacted in order to provide for more effective regulation and management of the finance and fiscal administration of the state and pursuant to and in furtherance of the provisions of Article III, Section IX, Paragraph II (c) of the Constitution and other provisions of the Constitution.

Section 48-5B-1(b) provides that a moratorium is declared on all increases in the assessed value of all classes of all subjects of property which are the subject to ad valorem taxation property except as specifically permitted under this Code section. The moratorium is for taxable years beginning on or after January 1, 2009 and continuing only until the Sunday immediately preceding the second Monday in January, 2011.

Section 48-5B-1(c) provides that the moratorium shall not apply "... to the correction by local tax officials, pursuant to Chapter 5 of this title, of any manifest, factual error or omission in the valuation of property." Also, Section 48-5B-1(c)

provides that the moratorium shall take effect on January 1, 2010, for any county which performed or had performed on its behalf a comprehensive county-wide revaluation of all properties in the county in 2008 or any county which in 2009 was under contract prior to February 28, 2009, to have performed on its behalf a comprehensive county-wide revaluation of all properties in the county.”

Section 48-5B-1(d) provides that nothing in this new Code section shall be construed to prohibit the assessed value of property from decreasing.

Section 48-5B-1(e) provides that if property or interests in property are sold or transferred, the assessed value of such property for ad valorem tax purposes “... shall not exceed the most recent value established under subsection (b) of this Code Section” which is the moratorium.

Section 48-5B-1(f) provides that additions or improvements to property “... shall be valued for ad valorem tax purposes at their fair market value and shall be added to the owner’s valuation amount under this subsection” which is the moratorium.

Section 48-5B-1(g) provides that if property is rezoned, subdivided or combined with other property at the request of the owner and the use is changed to conform with the use authorized or caused by such rezoning, subdivision or combination, such property shall be valued for ad valorem tax purposes at its fair market value.

Section 48-5B-1(h) provides that nothing in the moratorium should be construed to alter or affect in any manner the authority granted the General Assembly under Article VII, Section II, Paragraph II of the Georgia Constitution to enact homestead exemptions.

Section 48-5B-1(i) provides that the moratorium shall not apply to real property in any county for which a local constitutional amendment has been continued in force and effect as part of the Georgia Constitution which imposes millage rate limitations regarding ad valorem property taxes with respect to real property in such county or county school district unless such local constitutional amendment is repealed.

Section 48-5B-1(j) provides that during the time that the moratorium is in effect that the Georgia Commissioner of Revenue "... shall continue to examine and review county tax digests as required by Chapter 5 of Title 48 provided, however, that in the event that a deficiency in the tax digest is attributable directly to the limitation required by this Code Section, no penalties shall be levied against the county for the deficiency."

Section 48-5B-1(k) provides that Chapter 5B shall be repealed in its entirety on the second Monday in January, 2011.