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# REVENUE AND TAXATION Ad Valorem Taxation of Property: Authorize Disclosure to Taxpayers of Additional Information Regarding the Basis of an Assessment When the Assessed Value of Real Property is Increased by Less Than Fifteen Percent

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# REVENUE AND TAXATION

## *Ad Valorem Taxation of Property: Authorize Disclosure to Taxpayers of Additional Information Regarding the Basis of an Assessment When the Assessed Value of Real Property is Increased by Less Than Fifteen Percent*

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|---|---|
| CODE SECTION: | O.C.G.A. § 48-5-306 (amended) |
| BILL NUMBER: | SB 98 |
| ACT NUMBER: | 438 |
| GEORGIA LAWS: | 1999 Ga. Laws 1212 |
| SUMMARY: | The Act authorizes a county governing authority to provide by ordinance or resolution that notice to the taxpayer may be accompanied by a description of the basis for the new assessment when the assessment of the value of a taxpayer's real property exceeds the returned value of the property by less than fifteen percent. The notice may be required to contain a statement of the availability of all documents reviewed in the assessment process and a list of all comparable properties and other factors considered in establishing the new assessment. |
| EFFECTIVE DATE: | January 1, 2000[1] |

### *History*

Each year, counties and municipalities throughout the state adjust the assessed value of many parcels of taxpayer-owned real property.[2] They use these assessed values as a basis for the calculation of ad valorem taxes.[3] Taxpayers often express concern when a county increases the value of their assessment and resultant ad valorem

1. *See* 1999 Ga. Laws 1212, § 2, at 1213. The Act shall become effective on January 1, 2000 and shall be applicable to all taxable years beginning on or after that date. *See id.*
2. *See* Telephone Interview with Sen. Greg K. Hecht, House District No. 34 (Apr. 21, 1999) [hereinafter Hecht Interview].
3. *See id.*



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taxes.[4] This Act addresses taxpayers' desire to understand the basis behind property tax assessment increases.[5]

Senators Greg K. Hecht of the 34th District, Nathan Dean of the 31st District, and George Hooks of the 14th District sponsored SB 98 to authorize counties and municipalities to provide taxpayers with information disclosing the basis for property assessment increases of less than fifteen percent.[6]

### *SB 98*

#### *Introduction*

As introduced, the bill proposed a requirement that "[i]f the assessment of the value of the taxpayer's property is increased, the notice shall contain a statement of basis and justification for such increase."[7]

#### *Consideration by the Senate Finance and Public Utilities Committee*

The Senate Finance and Public Utilities Committee struck, in its entirety, the original language from the bill.[8] The Committee amendment added a new section authorizing county governing authorities to provide by ordinance or resolution that notice to the taxpayer should include the reason or reasons for the increase as specified by the county board of tax assessors.[9] The Committee amendment also added a stipulation that any such ordinance or resolution remain in effect until rescinded by another ordinance or resolution.[10]

#### *From Senate Floor Amendment to Passage by the Senate*

After the Senate Finance and Public Utilities Committee recommended passage of the bill as amended, the bill proceeded to the Senate floor.[11] Senator Hecht submitted an amendment deleting

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4. *See id.*
5. *See id.*
6. *See* SB 98, as introduced, 1999 Ga. Gen. Assem.; Hecht Interview, *supra* note 2.
7. SB 98, as introduced, 1999 Ga. Gen. Assem.
8. *Compare id. with* SB 98 (SCA), 1999 Ga. Gen. Assem.
9. *See* SB 98 (SCA), 1999 Ga. Gen. Assem.
10. *See id.*
11. *See* State of Georgia Final Composite Status Sheet, May 3, 1999.


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the stipulation that any such ordinance or resolution remain in effect until rescinded by another ordinance or resolution.[12] The Hecht amendment also added a requirement that the ordinance or resolution be effective only in those cases where the assessment value of the taxpayer's property exceeds the previous assessment by less than fifteen percent.[13] The Hecht amendment was submitted to make the bill consistent with SB 177, the Governor's Taxpayer Bill of Rights, which provides for notice to taxpayers of the basis of an assessment increase in excess of fifteen percent above the previously assessed value.[14]

*From the House Ways and Means Committee to Passage by the House*

The House Ways and Means Committee offered a substitute bill to bring the bill into further compliance with the language of SB 177.[15] The House Committee substitute added requirements that the notice required by ordinance or resolution be accompanied by a "simple, nontechnical description of the basis of the new assessment" and that the notice may also contain a statement of the availability of all documents reviewed in making the assessment and a list of all comparable properties used in establishing the assessment.[16] With these changes, the Senate and House each passed the bill.[17]

*The Act*

The Act adds a new subsection to Code section 48-5-306.[18] This new subsection authorizes county governing authorities to provide by ordinance or resolution that, when a taxpayer's property assessment increases by less than fifteen percent of the previous assessment, notice to the taxpayer may include a description of the basis for the new assessment.[19] Furthermore, the notice may include a statement indicating the availability of all documents used in making the

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12. *Compare* SB 98 (SCA), 1999 Ga. Gen. Assem., *with* SB 98 (SFA1), 1999 Ga. Gen. Assem.
13. *Compare* SB 98 (SCA), 1999 Ga. Gen. Assem., *with* SB 98 (SFA1), 1999 Ga. Gen. Assem.
14. *See* O.C.G.A. § 48-5-306(e) (1999); Hecht Interview, *supra* note 2.
15. *Compare* SB 98 (HCSFA2), 1999 Ga. Gen. Assem., *with* O.C.G.A. § 48-5-306(e) (1999) (providing for mandatory description of the basis for a new assessment in excess of 15%).
16. *See* SB 98 (HCSFA2), 1999. Ga. Gen. Assem.
17. *See* State of Georgia Final Composite Status Sheet, May 3, 1999.
18. See O.C.G.A. 48-5-306(e.1) (1999).
19. *See id.* § 48-5-306.


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assessment and the addresses of all comparable properties used for assessment purposes.[20]

*Opposition to SB 98*

Tax assessors opposed SB 98, as introduced, because they were concerned that hardware and software required for compliance with the notice provisions of the bill were not in place.[21] In response to these concerns, the bill was amended to grant individual county governing authorities the power to provide for notice by ordinance or resolution.[22]

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20. *See id.*
21. *See* Hecht Interview, *supra* note 2.
22. *See id.*


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