

GENERAL PROPERTY TAX INFORMATION

Ad Valorem tax, more commonly known as property tax, is a large source of revenue for local governments in Georgia. The basis for ad valorem taxation is the fair market value of the property which is established as of January 1st of each year. The tax is levied on the assessed value of the property which, by law, is established at 40% of the fair market value. The amount of tax is determined by the tax rate levied by the various entities. (One mill is equal to \$1.00 per \$1,000 of assessed value.) Several distinct entities are involved in the ad valorem tax process:

The County Tax Commissioner, an office established by the Constitution and elected in all counties except two, serving as agent of the State Revenue Commissioner for the registration of motor vehicles; and performing all functions relating to billing, collecting, disbursing and accounting for the taxes collected in the county.

The County Board of Assessors, appointed for fixed terms by the County Commissioners in all counties except one, is responsible for the appraisal assessments within the county. The Board notifies taxpayers when changes are made to the values of the property; receives and reviews all appeals filed on real property, personal property and insures the appeal process proceeds properly. In addition, the Board is responsible for receiving and processing applications for homestead exemptions including approving all exemptions claimed by the taxpayer.

The County Board of Equalization appointed by the Grand Jury, is the body charged by law with the hearing and deciding administrative appeals to property values and assessments made by the Board of Tax Assessors.

The Board of County Commissioners, elected in all counties, establishes the budget for county government operations each year and levies the mill rate necessary to fund the portion of the budget to be paid for by ad valorem tax.

The County Board of Education, elected in all counties, establishes the annual budget for school purposes and recommends a mill rate, which, with very few exceptions, must be levied for the school board by the county governing authority.

The State Revenue Commissioner, exercises general oversight of the entire ad valorem tax process which

includes annual audits of the Tax Assessors and Tax Commissioners and the approval of the tax digest.

TAX RETURNS

Taxpayers are required to file at least an initial tax return for taxable property (both real and personal) owned January 1st of the tax year. The time for filing returns is January 1st through April 1st. These returns are filed with the Tax Assessors Office. The tax return is a listing of the property owned by the taxpayer and the taxpayer's declaration of the value of the property.

Once the initial tax return is filed, the law provides for an automatic renewal of that return each succeeding year at the value determined for the preceding year and the taxpayer is required to file a new return only as additional personal property is acquired, improvements are made to the existing property if other changes occur. A new return, filed during the return period, may also be made by a taxpayer to declare a different value from the existing value where the taxpayer is dissatisfied with the current value placed on the property by the Board of Tax Assessors.

HOW IS PROPERTY APPRAISED?

To find the value of any piece of property the assessors must first know what properties similar to it are selling for, what it would cost today to replace it, how much it takes to operate and keep it in repair and what income it may earn. Using these facts, the assessors can then go about finding the property's value in three different ways.

Sales Comparison Approach

The first method compares your property to others that have sold recently. These prices, however, must be carefully analyzed to get the true picture. One property may have sold for more than it was really worth because the buyer was in a hurry and would pay any price. Another may have sold for less than it was actually worth because the owner needed the cash right away. When using the sales comparison approach, the assessors must always consider such overpricing or underpricing and analyze many sales to arrive at a fair valuation of your property. Size, quality, condition, location and time of sale are also important factors to consider.

Cost Approach

Another way to value your property is based on how much money it would take, at current material and labor costs, to replace your property with one similar. If your property is not new the assessors must also determine how much it has depreciated. In addition, the assessors must determine how much a parcel like yours would be worth if vacant.

Income Approach

The third way is to evaluate how much income your property would produce if it were leased at market rate. The assessors must consider operating expenses, taxes, insurance, maintenance costs and the return most people would expect on your kind of property.

ASSESSMENT APPEALS

The Board of Tax Assessors is required to issue a notice of assessment for taxable tangible real and personal property. Upon receipt of this notice, the property owner desiring to appeal the assessment may do so **within 45 days** of the date on the Notice of Current Assessment. The appeal may be based on taxability, value, uniformity, and/or the denial of an exemption. The written appeal is filed initially with the Board of Assessors. The state of Georgia provides a uniform appeal form for use by property owners. In that initial written dispute, the property owner must declare their chosen method of appeal. The methods of appeal are: 1) Board of Equalization with further appeal to the Superior Court. 2) Arbitration method with further appeal rights which requires the appealing party to submit a recent certified appraisal of the property within 45 days of filing the appeal. 3) Hearing Officer Method for non-homestead real property with a fair market value over \$500,000. 4) File directly to Superior Court * additional cost/fees may apply.

SPECIALIZED & PREFERENTIAL ASSESSMENT PROGRAMS

Agricultural Preferential Assessment

Program is available for certain property owners of agricultural property. The property is assessed at 30% of fair market value rather than 40%. The property owner must enter a 10-year covenant with the Board of Assessors and penalties may apply if the covenant is breached.