

APPRAISERS LEGISLATIVE UPDATE

January 15, 2010

Week One

On Monday, the House began the 2010 legislative session by electing new leadership after the resignation of Speaker Glenn Richardson. As expected, the House elected republican nominee David Ralston of Blue Ridge as the new Speaker of the House with a majority vote of 116 to 58. Additionally, Jan Jones of Alpharetta was elected as the new Speaker Pro Tempore, becoming the highest ranking woman in the history of the Georgia House.

The budget continues to be the main focus of state leaders. Lt. Governor Casey Cagle announced a Senate budget task force made up of state business leaders that will make recommendations to the senate regarding "short and long-term budget solutions." Speaker David Ralston indicated that he sees an "opportunity" amidst the budget crisis to cut back on the scale of state government. In a joint session of the General Assembly on Wednesday, Governor Sonny Perdue delivered his final State of the State address. In his speech, the governor recounted hard times from our nation's history and also announced that his budget recommendations will be released this Friday.

In other matters, Governor Perdue has openly discussed the possibility of a special session to address the tri-state water issues. Perdue says he is determined to work out a solution to water rights dispute between Georgia, Florida and Alabama. He is hopeful it can be resolved in the next 36 legislative days, but with many other issues at the forefront a special legislative session may be called.

We also anticipate legislation introduced in the coming days to improve the assessment and appeal process. In all, more than twenty different changes will be proposed and debated during the session. Again, industry input is critical.

Both chambers have agreed on a schedule for the next several weeks of the session. The General Assembly will be in adjournment Friday and next week for budget hearings. They will then reconvene Monday, January 25 and meet through Thursday. The following week of February 1, they will be in session for the duration of the week.

PROPERTY TAX REFORM

Although the prospect of a constitutional amendment to eliminate equalization and other controversial polices appears unlikely, there are several property tax reform initiatives currently under way. Updates on Committee activity have been previously forwarded. As discussed last week – the senate study committee on property tax assessments and appeals is moving toward completion of their work. There will be a report containing several recommendations soon. The recommendations will likely be included in legislation as the session begins.

Appeals and Assessments – Senate action is certain on several fronts related to the assessment and appeals process. Specifically, language that would prohibit appraisals for assessment purposes to exceed the price paid for the property. Anticipated recommendations are intended to stabilize the assessed values and make the process easier for property owners to understand:

Some of the discussion areas are: Increased notice of assessed value for each property; reduction of property owner paperwork; increased appeal opportunities; uniform notification format and dates; include all properties in arbitration options adopted in 2009; creation of regional boards of equalization; increased oversight of BoE; arms length transactions to receive equal consideration to determine market value; sales price to be maximum assessed value for a specific period of time.

Automatic Roll Back – in addition to continued changes in the assessment and appeals process, an idea has been floated to establish a mandatory “roll back” on appraised values for the next several years. In theory, local government would be required to roll back the existing appraised value of all properties by a given percentage each year for a specific number of years. The roll back would be automatic but would not limit an owners’ right to pursue appeals on the value of a given property. The owner would then either accept the new reduced value or challenge the appraised valuation as currently permitted.