

The following information was taken from the [Coweta County Website](#)

The second and most prevalent type of preferential program is the Conservation Use (CUVA) program which provides that certain agricultural property, timber and land property, environmentally sensitive property, or residential transitional property is to be valued and assessed for ad valorem tax purposes at its current use value rather than its fair market value.

### **WHAT IS CONSERVATION USE?**

Conservation Use was approved by an overwhelming majority of Georgia voters in an effort to encourage agricultural landowners to keep their land in production in exchange for favorable tax treatment. This favorable tax treatment is designed to protect these property owners from being pressured by the property tax burden to convert their land from agricultural use to residential or commercial use, hence the name "conservation use" assessment. In return for the favorable tax treatment the property owner must keep the land undeveloped in a qualifying use for a period of ten years or incur stiff penalties.

Applications for current use assessment must be filed with the county board of tax assessors on or before the last day for filing ad valorem tax returns in the county (April 1).

A \$12.00 recording fee must accompany all applications.

### **QUALIFICATIONS**

- Owner must be an individual or family farm corporation, estate, trust or non-profit organization.
- Owner agrees to maintain the property in a qualifying use of "good faith" production of agricultural products or timber for 10 years.
- Owner cannot have over 2,000 acres statewide in the Conservation Use Program.
- The Tax Assessors Office may request additional information regarding the use of the property if the office feels it is necessary to determine if the property qualifies for the exemption. Information that may be requested is Schedule F (Profit or Loss from Farm Income), Form 4562 Depreciation, or Crop Production Records the owner maintains. (mandatory on tracts less than 10 acres)

### **CONSERVATION USE VALUES**

- Conservation values are set by the State of Georgia and cannot be appealed by the taxpayer, however the Board of Tax Assessors must still maintain the fair market value on the property which may still be appealed by the taxpayer.
- The Conservation values established by the state are made up of a combination of the capitalized income that could be produced from the land and market value. The ratio is 65% income and 35% fair market value.
- The maximum amount that conservation values may be increased is 3% per year or a maximum of 34.39% over the 10-year Covenant.

### **CONSERVATION USE VALUES(con't)**

- The amount of savings on your tax bill cannot be determined at this time. The valuation for conservation use is available on your property upon request. You then can compare the fair market value to the conservation use value.
- Agricultural buildings may be included in the covenant. Although, the current values will not change on the buildings, these buildings would be subject only to the 3% per year maximum increase.

### **BREACH ON CONTRACT**

- If the owner breaks the Covenant a penalty of twice the taxes saved by the taxpayer will be imposed and interest at the rate of 1% per month will be assessed if not immediately reported.
- If the Covenant is broken as a result of death or eminent domain (condemnation) no penalty will be assessed.
- If the Covenant is broken as a result of medically demonstrable illness or foreclosure, the penalty will be the amount of taxes saved for the current year only.
- Leases or contracts for billboard signs and some other types of non-qualifying use will breach the Covenant and all penalties will apply. Hunting leases are allowed.
- Leases for cellular communications towers are allowed provided proper notification is made to the Board of Assessors and the property subject to the lease is surveyed as a separate parcel and no longer receives benefit of the covenant.
- If the property is sold, and if the purchaser continues using the property as it was originally covenanted then no penalty would be assessed. Purchaser must sign covenant agreeing to no change in use. However, the taxpayer should be aware that if the use changes during the 10-year period all penalties would apply.

### **OTHER FACTS**

- If the owner desires to omit a portion of a tract from the Covenant they must present to the Assessors' satisfaction a clearly defined description of the portion under the Covenant and a clearly defined description of the portion not under the Covenant.
- The property owner may give up to 5.0 acres to a relative within the 4th degree of civil reckoning provided that relative builds a house on the property received within one year and resides in the house for the remainder of the 10-year period.
- Property is allowed to lie fallow or idle for up to 2 years within any 5-year period.
- Property owners over age 65 who renew their Covenant may elect after 3 years into the second 10-year Covenant to terminate the Covenant by filing in writing a declaration with the Tax Assessors' office.

Each of these specialized or preferential programs requires the property owner to covenant with the board of tax assessors to maintain the property in its qualified use for at least 10 years in order to qualify for the preference. The Tax Assessors office can explain the ownership and use restrictions regarding property qualifying for either of these programs. Substantial penalties result if the covenant is broken. Additional information is available at: <http://dor.georgia.gov/>