

House Bill 223

Part I: TREES Act

June 9, 2025

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This informational summary of the TREES Act only addresses the temporary tax relief provisions in Part I of HB 223, but does not discuss its other provisions, including tax credits.

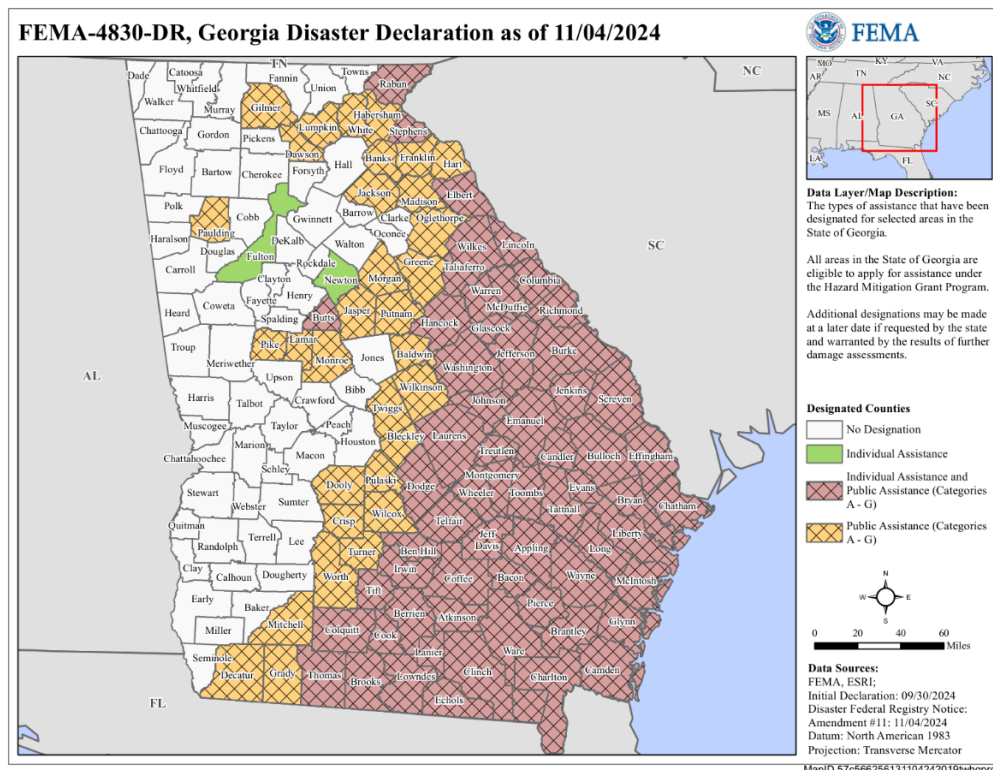
ACCG does not provide legal advice, and eligible jurisdictions must consult their own lawyers to ensure compliance with this new state law.

Definitions

What is the Disaster Area?

‘Disaster area’ means any county designated for public assistance or individual and public assistance pursuant to the Federal Emergency Management Agency FEMA-4830-DR Georgia disaster declaration as of November 4, 2024, relating to Hurricane Helene.

These are the counties shaded in red or yellow on the map below.



What is an Eligible Governing Authority?

'Eligible governing authority' means the governing authority of any county, consolidated government, or municipality or the governing body of any county or independent board of education that is located in whole or in part in the disaster area.

All county, city, school, and consolidated governments located in whole or in part in the disaster area are eligible to provide this tax relief.

What is Eligible Standing Timber?

'Eligible standing timber' means any timber which is subject to taxation pursuant to Code Section 48-5-7.5 that is on eligible timber property.

The taxes imposed pursuant to Code Section 48-5-7.5 are referred to in this summary as, and are commonly known as, 'timber taxes' or 'severance taxes.'

What is Eligible Timber Property?

'Eligible timber property' is a parcel, tract, stand, or other identifiable unit of property that:

- Contains standing timber which would, in the ordinary course of business, be sold or harvested;
- Is timberland property as defined in Code Section 48-5-600 (*which means tangible real property that has as its primary use the bona fide production of trees for the primary purpose of producing timber for commercial uses*);
- Is located within the disaster area; and
- Was severely damaged or destroyed as a result of the natural disaster.

What Does Severely Damaged or Destroyed Mean?

'Severely damaged or destroyed' means damaged to the extent which would require salvage thinning, a salvage operation, or clear-cut of eligible standing timber based on criteria established by the State Forestry Commission, as described below.

The State Forestry Commission shall establish criteria for determining whether timber property is severely damaged or destroyed, and may consider:

- The average damage sustained throughout the timber property;
- Whether the timber property has adequate remaining trees per acre to maintain viable timber property; and
- The risk of insect and disease damage to the timber property as a result of the disaster.

Tax Relief

Time Period for Tax Relief

Utilizing the state constitutional authority to grant property tax relief during a disaster pursuant to Article VII, Section I, Paragraph III(h), an eligible governing authority may grant temporary tax relief from timber taxes so long as its tax relief complies with the provisions of Code Section §48-5-33.1, during:

- The final quarter of 2024; and
- Each quarter of 2025.

Resolution/Ordinance

To grant the temporary property tax relief authorized by HB 223, an eligible governing authority shall adopt a resolution or ordinance that:

- Declares that its jurisdiction contains eligible timber property;
- Consents to grant the tax relief provided under Code Section 48-5-33.1;
- Requires that taxpayers seeking such relief submit the certification form established by the State Forestry Commission and that such certification shall be accepted by the eligible governing authority; and
- Waives the levy and collection of payment of taxes otherwise due pursuant to Code Section 48-5-7.5 for the final quarter of 2024 and during each quarter of 2025.

Once the resolution or ordinance is adopted by the eligible governing authority, no taxpayer who submits the certification form established by the State Forestry Commission shall be required to pay the timber tax during the final quarter of 2024 or during any quarter of 2025.

If timber taxes were levied and paid by a taxpayer for the fourth quarter of 2024 or any quarter of 2025, then a refund shall be issued to the taxpayer in the same manner as other tax refunds under Code Section 48-5-380.

If the timber taxes were levied but not yet paid, then the taxes shall be waived, and the tax commissioner or tax collector shall provide an updated bill to the taxpayer reflecting that the timber taxes are no longer due.

Certification Form

The State Forestry Commission, in consultation with the State Revenue Commissioner (DOR Commissioner) and ACCG (Association County Commissioners of Georgia), will develop a certification form for use by taxpayers. In addition to requiring necessary identification and location information, the certification form shall:

- Require the taxpayer to declare that their otherwise taxable property is eligible standing timber;
- Require the taxpayer to declare that they are making a claim for temporary tax relief for eligible standing timber pursuant to Code Section 48-5-33.1; and

- Allow the taxpayer to attach photographs of their eligible timber property, verification by a registered forester that the otherwise taxable property is eligible timber property, or other supporting documentation.

The certification form shall be completed by the taxpayer and shall be submitted to the eligible governing authority as provided in the resolution or ordinance. The State Forestry Commission shall distribute or otherwise make such certification form available to taxpayers.

Audits

The State Forestry Commission is authorized to conduct audits of property for compliance with Code Section 48-5-33.1 at the request of the tax commissioner or tax collector for the eligible governing authority. Any findings shall be reported by the State Forestry Commission to the tax commissioner or tax collector, who may pursue all legally available remedies to recapture the timber tax that would have been due but for being wrongfully claimed by a taxpayer.

State Grants and Initial Funding by the Eligible Governing Authority

Any temporary tax relief approved or allowed under Code Section 48-5-33.1 (including refunds of previously paid timber taxes during the fourth quarter of 2024 or any quarter of 2025) shall be paid from the funds of the eligible governing authority to which the timber taxes were or were to have been paid. The State Revenue Commissioner shall provide a grant to each eligible governing authority that has consented to grant the temporary property tax relief authorized by Code Section 48-5-33.1. The State's fiscal year 2026 (FY 26) budget approved by 2025 HB 68 contains \$17.3 million for these reimbursement grants. The grant shall be allotted to each eligible governing authority based on:

- The eligible governing authority's estimated revenue loss in the final quarter of 2024 and any quarter of 2025 due to the destruction of eligible standing timber in the disaster area and the temporary tax relief authorized by the eligible governing authority;
- The revenue received by such governing authority pursuant to Code Section 48-5-7.5 in each of the preceding three years; and
- The estimated damage to eligible standing timber in the jurisdiction as provided in the *Hurricane Helene Timber Damage Assessment* published by the State Forestry Commission on November 5, 2024, or other reliable data from the State Forestry Commission.

The grants shall not exceed the average of the total revenue received by such governing authority pursuant to Code Section 48-5-7.5 in 2021, 2022, and 2023.