



STATE PROPERTIES COMMISSION

270 Washington Street, Suite 2-129, Atlanta, Georgia 30334

POLICY

TITLE: SPC 05 - Land Management: Conservation Easement Appraisal Reviews

ADOPTED: December 11, 2012 (Effective: July 1, 2014 – December 16, 2014)

REVISED: June 11, 2014

1. References

O.C.G.A. § 48-7-29.12

2. Definitions

- (a) Conservation Easement: Conservation Easement (CE) means a non-possessory interest in real property imposing in perpetuity limitations or affirmative obligations which, for a Georgia Tax Credit under O.C.G.A. § 48-7-29.12, are consistent with at least two (2) conservation purposes as defined in that Act.
- (b) Commission: The State Properties Commission (SPC).
- (c) Eligible Donor: Means any person who owns an interest in a qualified donation of a Conservation Easement and seeks a CE tax credit from the Georgia Department of Revenue, as defined in O.C.G.A. § 48-7-29.12.
- (d) Qualified Organization: Means the state, a county, a municipality, or a consolidated government of this state, the federal government, or a bona fide charitable nonprofit organization as defined under the Internal Revenue Code and accredited by the Land Trust Accreditation Commission.
- (e) Appraisal: The opinion of value determined by the Appraiser.
- (f) Appraiser: One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective and in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) Ethics Rule for purposes of this policy the Appraiser is not an advocate for the Eligible Donor.
- (g) Review Appraisal: The opinion of value determined by the Review Appraiser.

- (h) Review Appraiser: One who performs an independent, impartial and objective review of the appraisal. If necessary, will develop their own opinion of value in conformance with USPAP standards.

In accordance with USPAP Ethics Rule, the Appraiser and Appraisal, and the Review Appraiser and Review Appraisal must not advocate for any party or issue.

3. Purpose

Establish the process for SPC appraisal review under O.C.G.A. § 48-7-29.12 of an Eligible Donor's appraised value to ensure that a Conservation Easement Tax Credit sought from the Georgia Department of Revenue is based on an accurate value.

4. Policy Statements/Procedure

- (a) Department of Natural Resources (DNR) receives the landowner's application and non-refundable fee for certification of conservation value by DNR and approval of CE tax credit value by SPC.
- (b) Pursuant to SPC Review of CE Appraisals - Required Items (as found on the SPC web page at www.spc.georgia.gov), SPC will review the following items sent by DNR: (1) the signed Appraiser Affidavit, (2) the landowner's statement of tax credit dollar amount being applied for and the legal entity applying for it, and (3) Necessary CE documents including; the CE appraisal or revised CE appraisal, the recorded CE and plat, and CE baseline report. SPC will make every effort to review the CE appraisal within 90 days, depending on reasonableness of that appraisal.
- (c) The State Properties Commission will have a qualified, licensed Georgia Certified General Property Appraiser review the landowner's CE appraisal and report the results to SPC.
- (d) A blind copy (not on letterhead) of review appraiser's comments will be sent by SPC to DNR so the landowner's appraiser can revise the CE appraisal if needed. SPC will provide a method of anonymous communication for a reasonable number of questions between the landowner's CE appraiser and the review appraiser.
- (e) If a revised CE appraisal from the landowner is necessary, the following steps shall apply:
- Landowner submits the revised CE appraisal (as one print and one electronic version of the report) to DNR for the State Properties Commission; each page shall contain the notation "Revised Appraisal of ___ (Date)".
 - SPC's review appraiser reviews the revised CE appraisal. If the revised CE appraisal supports the revised value, the review appraiser will send a letter to that effect to SPC, with any blind copy of the review.
- (f) If the revised CE appraisal does not support the value, SPC may continue the application process by having a review appraiser provide an opinion of value based on a separate appraisal.

- (g) Based on the results, the State Properties Commission will send a letter to DNR either approving an eligible tax credit amount, or recommending a lower amount based on the review appraiser's findings in a subsequent opinion of value.

5. Attachments

Attachment 1: O.C.G.A. § 48-7-29.12

Attachment 2: SPC's Review of CE Appraisals – Required Items

Attachment 3: Conservation Easement Appraisal Conformity Checklist