



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: January 1, 2013 – July 1, 2014)

REVISED:

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 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, or a bona fide charitable nonprofit organization as defined under the Internal Revenue Code and beginning on January 1, 2014, accredited by the Land Trust Accreditation Commission.
- (e) Appraisal: The act or process of developing an opinion of value.
- (f) Appraiser: One who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective.
- (g) Review Appraisal: An independent, impartial and objective opinion developed and communicated in conformance with USPAP standards by one appraiser about the quality of another appraiser's work that was performed as part of an appraisal, appraisal review, or appraisal consulting assignment.

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 Statement

To qualify for the Georgia Conservation Easement Tax Credit under O.C.G.A. § 48-7-29.12, the appraised value of a donated conservation easement (CE) must be approved by SPC.

- (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 Appraiser Affidavit, (2) the landowner's statement of tax credit dollar amount being applied for and the legal entity applying for it, and (3) the CE appraisal.
- (c) SPC will make every effort to review the CE appraisal within 90 days, depending on reasonableness of that appraisal.
- (d) The State Properties Commission will have a qualified review appraiser (registered/licensed as an appraiser in Georgia) review the landowner's CE appraisal and report results to SPC.
- (e) A blind copy of review comments will be sent by SPC to the landowner so the landowner's appraiser can revise the appraisal if needed.
- (f) If a revised appraisal from the Landowner is necessary, the following steps shall apply:
 - Landowner submits the revised appraisal (as one print and one electronic version of the report) to the State Properties Commission.
 - SPC's reviewer reviews the revised CE appraisal and provides SPC an opinion of value based on the revised appraisal, or based on a separate appraisal if the appraiser's report will not be used.
- (g) Based on the results in (d or f), the State Properties Commission will send a letter to DNR either approving the original or the revised appraised value, or approving a separate amount up to the maximum tax credit to be applied for by the landowner.
- (h) SPC is required under O.C.G.A. § 48-7-29.12 to report to the Georgia Real Estate Appraisers Board for investigation and disciplinary action any appraisal with a Substantial Misstatement of Value where the claimed value is 150% or more than the amount SPC determines to be the correct CE amount. Under O.C.G.A. § 48-7-29-12 (c.2), a final determination by SPC or DNR shall be subject to review and appeal under the "Georgia Administrative Procedure Act" Chapter 13 of Title 50, and in accordance with DNR Rule 391-1-6-.04 (5) which includes filing a petition for a hearing within 30 calendar days after issuance of notice of DNR's final determination.

5. Attachments

Attachment 1: O.C.G.A. § 48-7-29.12

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