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Dear Members of the Council on Tax Reform and Fairness:

I urge the Council on Tax Reform and Fairness to recommend a substantial reduction in the preferential property tax treatment afforded big timber interests under the Forest Land Protection Act (FLPA).

After a successful PR campaign and under the guise of protecting the state's forest, big timber interests hoodwinked the voters into ratifying Constitutional Amendment No 1 in 2008. Most voters had no idea of the tax shift involved or the amount of preferential treatment that was being given big timber interests. The ballot question, the required legal advertisement, H. B. 1211, the enabling legislation and H. R. 1276, calling for the referendum, were all cleverly worded to keep the real intent of the amendment from the average voter. Full disclosure was certainly absent, bringing into question the propriety if not the legality of the whole process.

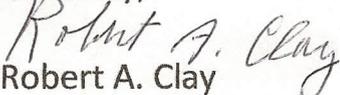
Participation in the FLPA program has resulted in up to a 60% property tax break for some timber tracts. The big beneficiaries are the foreign and domestic corporations and millionaire owners of over 2000 acres. Family farms up to 2000 acres have been eligible for preferential property tax treatment for over 15 years under the Conservation Valuation Use Assessment (CVUA) program. Owners of over 2000 acres, often foreigners or other non-residents, are depriving local government and schools of need property tax revenue.

At the time of a state budget crisis, high unemployment, home foreclosures, furloughs, the loss of the special homestead exemption and cut backs in funds for law enforcement, public safety, education, health care, etc., taxes are being shifted from big timber interests to those who pay property taxes on homes, businesses, family farms and cars and those who pay state income and sales taxes. A reverse Robin Hood.

Local government is supposed to be partially reimbursed by the state for the loss of local revenue resulting from FLPA. So far this has not happened. Attached is a chart showing what is owed to selected counties. Local government is still waiting for reimbursement on 2009 taxes that big timber interests did not have to pay.

The Constitutional amendment is with us for the foreseeable future. However, the legislature can substantially reduce the amount of preferential treatment afforded under FLPA if it has the will to do so. I hope this Council will recommend such a reduction.

Sincerely,


Robert A. Clay

