

## Lamar Sims

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**From:** ROCKDALE MQABLAU <rockdale@mqablau.com>  
**Sent:** Tuesday, September 04, 2012 4:11 PM  
**To:** Lamar Sims  
**Cc:** Lynn Cumbie; Will Barkley  
**Subject:** Bona fide sales

Dear Mr. Sims,

Recently, you followed up on an inquiry by Lynn on the definition of an "arm's length bona fide sale." After speaking with you, we concluded research which supplements our original position. Please be advised of the change in law based upon legislation which was signed by the governor on 6/4/2010. Below, we have included two links for your consideration. The first link is the main page on the website, the second link is to the bill itself (with relevant portions attached below). I understand you may be aware of an opinion which rebuts Code Section 48-5-2 with respect to the inclusion of distress sales, short sales, bank sales and public auction sales in determining fair market value of property and I am sending this update to you and your team for discussion. Thanks.

Qader

[http://www1.legis.ga.gov/legis/2009\\_10/sum/sb346.htm](http://www1.legis.ga.gov/legis/2009_10/sum/sb346.htm)

[http://www1.legis.ga.gov/legis/2009\\_10/versions/sb346\\_SB\\_346\\_APP\\_9.htm](http://www1.legis.ga.gov/legis/2009_10/versions/sb346_SB_346_APP_9.htm)

PART V

SECTION 5-1.

Said title is further amended in Code Section 48-5-2, relating to definitions, by adding new paragraphs to read as follows: "(1) 'Arm's length, bona fide sale' means a transaction which has occurred in good faith without fraud or deceit carried out by unrelated or unaffiliated parties, as by a willing buyer and a willing seller, each acting in his or her own self-interest, including but not limited to a distress sale, short sale, bank sale, or sale at public auction."

SECTION 5-2.

Said title is further amended in Code Section 48-5-2, relating to definitions regarding ad valorem taxation of property, by revising the introductory language of paragraph (3) preceding subparagraph (A) as follows:

"(3) 'Fair market value of property' means the amount a knowledgeable buyer would pay for the property and a willing seller would accept for the property at an arm's length, bona fide sale. The income approach, if data is available, shall be considered in determining the fair market value of income-producing property. Notwithstanding any other provision of this chapter to the contrary, the transaction amount of the most recent arm's length, bona fide sale in any year shall be the maximum allowable fair market value for the next taxable year.

M. Qader A. Baig & Associates, LLC  
913 Commercial Street  
Conyers, Georgia 30012  
770-929-1665 Office  
770-929-1197 Fax

[www.MQABLAU.com](http://www.MQABLAU.com)

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