

HOUSE BILL 176

Q2

8lr0490

By: **Montgomery County Delegation**

Introduced and read first time: January 18, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Montgomery County – Uniformity of Property Tax Assessments – Country Clubs**
3 **and Golf Courses**

4 **MC 11–18**

5 FOR the purpose of proposing an amendment to the Maryland Constitution to provide that
6 a certain provision of the Constitution requiring uniformity of assessments and
7 subclassification of real property for property tax purposes does not apply to country
8 clubs or golf courses in Montgomery County; submitting the amendment to the
9 qualified voters of the State for their adoption or rejection; providing that certain
10 provisions of law that authorize a special subclassification and use value assessment
11 of certain country clubs or golf courses do not apply in Montgomery County;
12 providing that certain agreements relating to the property tax assessment of country
13 clubs or golf courses in Montgomery County are null and void by a certain date under
14 certain circumstances; providing for the effective dates and the application of this
15 Act; providing for the termination of certain provisions of this Act under certain
16 circumstances; making technical changes; and generally relating to the property tax
17 assessment and subclassification of country clubs and golf courses in Montgomery
18 County.

19 BY repealing and reenacting, with amendments,
20 Declaration of Rights
21 Article 15
22 Annotated Code of Maryland
23 (2003 Replacement Volume and 2017 Supplement)

24 BY repealing and reenacting, without amendments,
25 Article – Tax – Property
26 Section 8–101(a) and 8–213
27 Annotated Code of Maryland
28 (2012 Replacement Volume and 2017 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY repealing and reenacting, with amendments,
 2 Article – Tax – Property
 3 Section 8–101(b)(4) and 8–212
 4 Annotated Code of Maryland
 5 (2012 Replacement Volume and 2017 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 7 (Three–fifths of all the members elected to each of the two Houses concurring), That it be
 8 proposed that the Maryland Constitution read as follows:

9 **Declaration of Rights**

10 15.

11 (A) That the levying of taxes by the poll is grievous and oppressive and ought to
 12 be prohibited; that paupers ought not to be assessed for the support of the government; that
 13 the General Assembly shall, by uniform rules, provide for the separate assessment,
 14 classification and [sub–classification] **SUBCLASSIFICATION** of land, improvements on
 15 land and personal property, as it may deem proper; and all taxes thereafter provided to be
 16 levied by the State for the support of the general State Government, and by the Counties
 17 and by the City of Baltimore for their respective purposes, shall be uniform within each
 18 class or [sub–class] **SUBCLASS** of land, improvements on land and personal property which
 19 the respective taxing powers may have directed to be subjected to the tax levy; yet fines,
 20 duties or taxes may properly and justly be imposed, or laid with a political view for the good
 21 government and benefit of the community.

22 (B) **NOTWITHSTANDING THE UNIFORM RULES REQUIREMENT IN**
 23 **SUBSECTION (A) OF THIS SECTION, A RULE AUTHORIZING THE SEPARATE**
 24 **ASSESSMENT OR SUBCLASSIFICATION OF LAND OF A COUNTRY CLUB OR GOLF**
 25 **COURSE DOES NOT APPLY IN MONTGOMERY COUNTY.**

26 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
 27 as follows:

28 **Article – Tax – Property**

29 8–101.

30 (a) For assessment purposes, property shall be divided into classes and
 31 subclasses.

32 (b) Real property is a class of property and is divided into the following subclasses:

33 (4) **EXCEPT IN MONTGOMERY COUNTY**, land of a country club or golf
 34 course, assessed under §§ 8–212 through 8–217 of this title;

1 8–212.

2 (A) THIS SECTION DOES NOT APPLY IN MONTGOMERY COUNTY.

3 [(a)] (B) A golf course that is open to the public is eligible to be assessed under
4 §§ 8–213 through 8–218 of this subtitle if it is located on at least 50 acres of land on which
5 is maintained a regular or championship golf course of at least 9 holes.

6 [(b)] (C) A country club is eligible to be assessed under §§ 8–213 through 8–218
7 of this subtitle if it:

8 (1) has at least 100 members, who pay dues averaging \$50 or more
9 annually for each member;

10 (2) restricts use of its facilities primarily to members, families, and guests;
11 and

12 (3) is located on at least 50 acres of land, on which is maintained:

13 (i) a regular or championship golf course of at least 9 holes; and

14 (ii) a clubhouse.

15 8–213.

16 (a) In this section, “agreement” means an agreement made under subsection (b)
17 of this section.

18 (b) The Department may make agreements with country clubs and golf courses
19 that specify the manner of assessing the land of a country club or golf course. All
20 agreements shall contain uniform provisions.

21 (c) (1) Except as provided in paragraph (2) of this subsection, the land of a
22 country club or golf course that is actively used as a country club or golf course that meets
23 the requirements of § 8–212 of this subtitle shall be valued at rates equivalent to land
24 assessed under § 8–219 of this subtitle.

25 (2) If the land of a country club or golf course that meets the requirements
26 of § 8–212 of this subtitle has a greater market value than its value when used as a country
27 club or golf course, the land shall also be assessed on the basis of the greater value.

28 (3) Except as provided under § 8–216 of this subtitle, the property tax
29 payable by a country club or golf course under this section is based on the assessment of
30 the land under paragraph (1) of this subsection.

31 (4) If an assessment is made on the greater value under paragraph (2) of

1 this subsection, the assessment records for the country club or golf course shall record the
2 assessment under paragraphs (1) and (2) of this subsection.

3 (5) Any assessment of the land of a country club or golf course under this
4 section is effective on the date of finality next following the date of an agreement.

5 (d) (1) An agreement shall be for at least 10 consecutive years or for a longer
6 period as determined by the country club or golf course and the Department.

7 (2) An agreement may be extended, but only in increments of at least 5
8 years.

9 SECTION 3. AND BE IT FURTHER ENACTED, That, contingent on the taking
10 effect of Section 2 of this Act, any agreement under § 8–213(b) of the Tax – Property Article
11 between the State Department of Assessments and Taxation and any golf course or country
12 club in Montgomery County that was entered into before the effective date of Section 2 of
13 this Act is null and void at the expiration of the term of the agreement or June 30, 2029,
14 whichever is earlier.

15 SECTION 4. AND BE IT FURTHER ENACTED, That the General Assembly
16 determines that the amendment to the Maryland Constitution proposed by Section 1 of this
17 Act affects only one county and that the provisions of Article XIV, § 1 of the Maryland
18 Constitution concerning local approval of constitutional amendments apply.

19 SECTION 5. AND BE IT FURTHER ENACTED, That the amendment to the
20 Maryland Constitution proposed by Section 1 of this Act shall be submitted to the qualified
21 voters of the State at the next general election to be held in November 2018 for adoption or
22 rejection pursuant to Article XIV of the Maryland Constitution. At that general election,
23 the vote on the proposed amendment to the Constitution shall be by ballot, and on each
24 ballot there shall be printed the words “For the Constitutional Amendment” and “Against
25 the Constitutional Amendment”, as now provided by law. Immediately after the election,
26 all returns shall be made to the Governor of the vote for and against the proposed
27 amendment, as directed by Article XIV of the Maryland Constitution, and further
28 proceedings had in accordance with Article XIV.

29 SECTION 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
30 effect on the taking effect of Section 1 of this Act. If Section 1 of this Act does not take effect,
31 Section 2 of this Act shall be abrogated and of no further force and effect.

32 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in
33 Sections 4, 5, and 6 of this Act, this Act shall take effect June 1, 2018, and shall be
34 applicable to all taxable years beginning after June 30, 2019.