

Department of Legislative Services  
Maryland General Assembly  
2000 Session

FISCAL NOTE

Senate Bill 293 (Senator Ferguson. *et al.*)

Budget and Taxation

---

**Golf Facilities - Use of State or Local Public Funds - Prohibition**

---

This bill prohibits the use of public funds by political subdivisions or the State for the construction, purchase, expansion, or subsidization of a golf course or driving range. The bill does not apply to golf courses and driving ranges that a political subdivision owned and maintained as of January 1, 2000.

---

**Fiscal Summary**

**State Effect:** The State currently owns and operates the golf course at the Rocky Gap State Park. The bill would restrict the use of State funds for additional courses but would not materially affect current finances.

**Local Effect:** Future revenues may be foregone due to the loss of a potential revenue source. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** Potential minimal.

---

**Analysis**

**Current Law:** The State, the counties, and the municipalities may use public funds for golf courses and driving ranges.

**Background:** A 1998 examination of publicly funded golf courses indicated that some were a revenue source for local governments and others were not. **Exhibit 1** shows some of the results of that assessment

---

**Exhibit 1**

**Revenues and Expenditures of Golf Courses for Selected Local Governments in  
FY 1997**

| <b>Supporting government</b> | <b>Revenues</b> | <b>Expenditures</b> | <b>Surplus/(Deficit)</b> |
|------------------------------|-----------------|---------------------|--------------------------|
| City of Frederick            | \$1,046,193     | \$1,156,246         | (\$110,053)              |
| City of Hagerstown           | 175,341         | 228,904             | (53,563)                 |
| Town of Ocean City           | 2,211,392       | 1,632,228           | 579,164                  |
| City of Rockville            | 991,958         | 812,397             | 179,561                  |
| Talbot County                | 1,147,947       | 1,291,516           | (143,569)                |

**Local Fiscal Effect:** In Maryland, local governments own 35 to 40 public golf courses, some of which are profitable. By way of example, the Maryland-National Capital Park and Planning Commission operates five golf courses in Montgomery County and three courses in Prince George’s County. Profits derived from the courses totaled over \$2 million in fiscal 1999. Local governments have, in the past, used portions of their Program Open Space funds to develop, maintain, and operate golf facilities. Although the counties would continue to operate, and potentially profit from, the golf courses that they currently run, no new courses could be funded. However, it is assumed that funds that might otherwise have been used for golf facilities would be directed to other recreation areas or to economic development projects. To the extent that other projects cannot generate the same revenues that golf courses generate, future revenues for local governments would be foregone. Any fiscal effect would be minimal.

**Small Business Effect:** If the enactment of the legislation slows the development of new golf facilities in Maryland, small retailers that sell golf clubs, supplies, and apparel may suffer.

---

**Additional Information**

**Prior Introductions:** The bill was previously introduced in 1998 as SB 214, in 1997 as SB 352, and in 1996 as SB 546. All three bills received an unfavorable report from the Senate Budget and Taxation Committee.

**Cross File:** None.

**Information Source(s):** Department of Natural Resources, Department of Business and Economic Development, Maryland-National Capital Park and Planning Commission, Allegany County, Baltimore City, Montgomery County, Prince George’s County

**Fiscal Note History:** First Reader - February 21, 2000  
nncsjr

---

Analysis by: Mark Collins

Direct Inquiries to:  
John Rixey, Coordinating Analyst  
(410) 946-5510  
(301) 970-5510