

HOUSE BILL 758

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2002 Regular Session  
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By: **Delegates Hixson, Bozman, W. Baker, Ports, Dewberry, Mitchell,  
Minnick, Fulton, Patterson, Kach, Conroy, Phillips, McKee, Cryor, and  
Rzepkowski**

Introduced and read first time: February 6, 2002  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Assessment - Country Clubs and Golf Courses**

3 FOR the purpose of making certain golf courses eligible for special use value  
4 assessment for property tax purposes under certain circumstances; authorizing  
5 the Department of Assessments and Taxation to make certain agreements with  
6 golf courses that specify the manner of assessing certain property of a golf  
7 course; altering the scope of certain agreements entered into between the  
8 Department and certain country clubs; altering the basis of the valuation of  
9 certain land of a country club or golf course for certain purposes; providing for  
10 special valuation of certain golf course improvements for certain purposes;  
11 authorizing the Department to enter into agreements with golf courses to  
12 provide for the manner of assessing certain property of a golf course to be  
13 effective beginning with a certain date of finality for assessments for a certain  
14 tax year; providing for the application of this Act; and generally relating to the  
15 property tax assessment of country clubs and golf courses.

16 BY repealing and reenacting, with amendments,  
17 Article - Tax - Property  
18 Section 8-101(b)(4) and 8-212 through 8-218  
19 Annotated Code of Maryland  
20 (2001 Replacement Volume and 2001 Supplement)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article - Tax - Property**

24 8-101.

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

1 (4) land of a county club OR GOLF COURSE, assessed under §§ 8-212  
2 through 8-217 of this title.

3 8-212.

4 (A) A GOLF COURSE THAT IS OPEN TO THE PUBLIC IS ELIGIBLE TO BE  
5 ASSESSED UNDER §§ 8-213 THROUGH 8-218 OF THIS SUBTITLE.

6 (B) A country club is eligible to be assessed under §§ 8-213 through 8-218 of  
7 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  
11 guests; 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  
17 (b) of this section.

18 (b) The Department may make agreements with country clubs AND GOLF  
19 COURSES that specify the manner of assessing the land AND COURSE  
20 IMPROVEMENTS of a country club OR GOLF COURSE. All agreements shall contain  
21 uniform provisions.

22 (c) (1) Except as provided in paragraph (2) of this subsection, the land of a  
23 country club that is actively used as a country club that meets the requirements of §  
24 8-212 of this subtitle OR GOLF COURSE shall be valued [on the basis of that use and  
25 may not be valued on the basis of any other use] USING THE HIGHEST USE VALUE  
26 RATES PER ACRE USED BY THE DEPARTMENT FOR VALUING LAND THAT IS ELIGIBLE  
27 FOR AGRICULTURAL USE ASSESSMENT UNDER § 8-209 OF THIS SUBTITLE.

28 (2) If the land of a country club that meets the requirements of § 8-212 of  
29 this subtitle OR GOLF COURSE has a greater MARKET value than its value when used  
30 as a country club OR GOLF COURSE, the land shall also be assessed on the basis of the  
31 greater value.

32 (3) Except as provided under § 8-216 of this subtitle, the property tax  
33 payable by a country club OR GOLF COURSE under this section is based on the  
34 assessment of the land under paragraph (1) of this subsection.

1 (4) If an assessment is made on the greater value under paragraph (2) of  
2 this subsection, the assessment records for the country club OR GOLF COURSE shall  
3 record the assessment under paragraphs (1) and (2) of this subsection.

4 (5) Any assessment of the land of a country club OR GOLF COURSE under  
5 this section is effective on the date of finality next following the date of an agreement.

6 (D) (1) COURSE IMPROVEMENTS AT A COUNTRY CLUB OR GOLF COURSE,  
7 SUCH AS TEES, GREENS, BUNKERS, FAIRWAYS, AND SIMILAR ITEMS, SHALL BE  
8 VALUED BASED ON 50% OF THE CURRENT REPLACEMENT COST OF THE  
9 IMPROVEMENTS.

10 (2) ANY ASSESSMENT OF THE COURSE IMPROVEMENTS OF A COUNTRY  
11 CLUB OR GOLF COURSE UNDER THIS SECTION IS EFFECTIVE ON THE DATE OF  
12 FINALITY NEXT FOLLOWING THE DATE OF AN AGREEMENT.

13 [(d)] (E) (1) An agreement shall be for at least 10 consecutive years or for a  
14 longer period as determined by the country club OR GOLF COURSE and the  
15 Department.

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

18 (F) NOTWITHSTANDING SUBSECTIONS (C)(1) AND (D)(1) OF THIS SECTION, FOR  
19 ANY TAXABLE YEAR BEGINNING AFTER JUNE 30, 2002:

20 (1) FOR ANY COUNTRY CLUB OR GOLF COURSE IN EXISTENCE ON  
21 JANUARY 1, 2002, THE USE VALUE OF THE PROPERTY FOR PURPOSES OF THIS  
22 SECTION SHALL BE THE GREATER OF:

23 (I) THE VALUE AS DETERMINED UNDER SUBSECTION (C)(1) OR  
24 (D)(1) OF THIS SECTION; OR

25 (II) THE VALUATION OF THE PROPERTY FOR PROPERTY TAX  
26 PURPOSES AS OF THE MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1,  
27 2002 DATE OF FINALITY; AND

28 (2) FOR A COUNTRY CLUB OR GOLF COURSE CONSTRUCTED AFTER  
29 JANUARY 1, 2002, THE USE VALUE OF THE PROPERTY FOR PURPOSES OF THIS  
30 SECTION SHALL BE THE GREATER OF:

31 (I) THE VALUE AS DETERMINED UNDER SUBSECTION (C)(1) OR  
32 (D)(1) OF THIS SECTION; OR

33 (II) THE VALUATION OF THE PROPERTY AS IT WOULD HAVE BEEN  
34 DETERMINED BY THE DEPARTMENT USING THE SAME METHODS AND ASSUMPTIONS  
35 THAT THE DEPARTMENT USED FOR ASSESSMENTS OF SIMILAR PROPERTY AS OF THE  
36 MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1, 2002 DATE OF FINALITY.

1 8-214.

2 (a) If a country club that meets the qualifications of § 8-212 of this subtitle OR  
3 A GOLF COURSE allows or practices discrimination based on race, color, creed, sex, or  
4 national origin in granting membership or guest privileges, the country club OR GOLF  
5 COURSE may not make or continue an agreement under this subtitle.

6 (b) A country club OR GOLF COURSE may not discriminate or retaliate against  
7 any person who has opposed any discrimination practice prohibited by subsection (a)  
8 of this section or who has filed a complaint, testified, or assisted a party in any  
9 manner in an investigation, proceeding, or hearing conducted under § 8-215 of this  
10 subtitle.

11 8-215.

12 (a) (1) A person claiming to be aggrieved by discrimination prohibited by §  
13 8-214 of this subtitle may file a sworn, written complaint with the Attorney General.

14 (2) The Attorney General or the Attorney General's designee shall  
15 investigate all written complaints.

16 (3) The Attorney General may initiate an investigation of a suspected  
17 violation.

18 (4) If there is reasonable cause for believing that a country club OR GOLF  
19 COURSE has practiced or is practicing discrimination in violation of § 8-214 of this  
20 subtitle, the Attorney General or the Attorney General's designee shall hold a hearing  
21 to determine the existence of the alleged violation.

22 (5) The Attorney General or the Attorney General's designee may:

23 (i) administer oaths; and

24 (ii) issue subpoenas to compel the attendance and testimony of  
25 witnesses or the production of books, papers, records, and documents.

26 (b) If the Attorney General finds evidence of a pattern or practice of  
27 discrimination, the Attorney General shall make a consent agreement with the  
28 country club OR GOLF COURSE to end the discrimination.

29 (c) If a country club OR GOLF COURSE refuses to make a consent agreement,  
30 or breaches or violates a consent agreement, the Attorney General shall issue an  
31 order to the country club OR GOLF COURSE to end the discrimination.

32 (d) (1) If a country club OR GOLF COURSE fails to comply with an order  
33 issued under subsection (c) of this section, the country club OR GOLF COURSE may not  
34 be assessed as a country club OR GOLF COURSE under § 8-213 of this subtitle until  
35 the Attorney General determines that the country club OR GOLF COURSE complies  
36 with the order.

1           (2)     A country club OR GOLF COURSE that has failed to comply with an  
2 order issued under subsection (c) of this section shall be assessed as if there were no  
3 agreement under § 8-213 of this subtitle. However, the country club OR GOLF COURSE  
4 is not liable for the unpaid taxes described in § 8-216 of this subtitle.

5           (e)     A country club OR GOLF COURSE may appeal any action taken under this  
6 section as provided by §§ 10-222 and 10-223 of the State Government Article.

7           (f)     (1)     If a country club OR GOLF COURSE fails to provide information  
8 requested by the Attorney General to investigate a charge of discrimination, the  
9 Attorney General may request that the circuit court for the county in which the  
10 country club OR GOLF COURSE is located issue a subpoena for the information.

11           (2)     If the circuit court finds that the information sought relates to proof  
12 of discrimination by a country club OR GOLF COURSE, the court shall issue a subpoena  
13 for the information.

14           (g)     (1)     After a complaint has been filed, the Attorney General may bring an  
15 action to obtain a temporary injunction.

16           (2)     The action shall be brought in the circuit court for the county where  
17 the country club OR GOLF COURSE which is the subject of the alleged discrimination  
18 is located.

19 8-216.

20           (a)     (1)     Except as provided in § 8-217 of this subtitle, a property tax is due,  
21 for the amount of the difference, if any, between the assessment of the land under §  
22 8-213(c)(1) and (2) of this subtitle, when before the end of an agreement made under  
23 § 8-213 of this subtitle any land subject to the agreement:

24                   (i)     is conveyed to a new owner;

25                   (ii)    ceases to be used as a country club OR GOLF COURSE; or

26                   (iii)   fails to meet the qualifications for a country club OR GOLF  
27 COURSE under this subtitle.

28           (2)     The property tax shall be calculated at the tax rate applicable for  
29 each taxable year.

30           (b)     (1)     Except as provided in paragraph (2) of this subsection, a property tax  
31 is due for each taxable year beginning with the first taxable year in which the land  
32 was assessed under § 8-213(c)(1) or (2) and ending with the taxable year in which the  
33 property tax becomes due under subsection (a) of this section.

34           (2)     The period for which the property tax is due may not exceed 10 years.

35           (c)     (1)     Except as provided by § 8-217 of this subtitle, if during the 10-year  
36 period following the year in which an agreement made under § 8-213 of this subtitle

1 is ended, the land subject to the agreement is conveyed to a new owner, a deferred  
2 property tax is due.

3           (2)       The deferred property tax is due for a 10-year period ending with the  
4 year in which the land subject to an agreement is conveyed. The amount of the  
5 deferred property tax is the difference, if any, between the assessment of the land  
6 under § 8-213(c)(1) and (2) of this subtitle.

7           (d)       If during the period specified in subsection (b) or (c) of this section for  
8 which a property tax is due, any part of land subject to the agreement is conveyed and  
9 the remaining part continues to qualify as a country club OR GOLF COURSE under this  
10 subtitle, the property taxes that are due under subsection (b) or (c) of this section are  
11 based only on the assessment of the part of the land that is conveyed.

12           (e)       Notwithstanding any period of limitation imposed by this article, a  
13 property tax that is due under this section is a lien on the land of the country club OR  
14 GOLF COURSE to which the tax is applicable until the tax is paid or ended by  
15 operation of law.

16 8-217.

17           If a purchaser of all or any part of the land of a country club OR GOLF COURSE  
18 accepts the obligations of an agreement made under § 8-213 of this subtitle, the  
19 agreement is transferred to the purchaser. Property tax is not due under § 8-216 of  
20 this subtitle on a conveyance of land of a country club OR GOLF COURSE under this  
21 section.

22 8-218.

23           To administer the country club AND GOLF COURSE assessment provisions of this  
24 subtitle, the Department shall:

25           (1)       adopt uniform regulations; and

26           (2)       prepare and distribute any forms that are required.

27           SECTION 2. AND BE IT FURTHER ENACTED, That:

28           (1)       On or before September 30, 2002, the Department of Assessments  
29 and Taxation may enter into agreements with golf courses to provide the manner of  
30 assessing the land and course improvements of a golf course as provided in §§ 8-212  
31 through 8-218 of the Tax - Property Article; and

32           (2)       Notwithstanding § 8-213(c)(5) or (d)(2) of the Tax - Property Article  
33 or any other provision of law, the agreements entered into under this section shall be  
34 effective beginning with the January 1, 2002 date of finality for assessments for the  
35 property tax year beginning July 1, 2002.

36           SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any  
37 other provision of law, for a country club that as of January 1, 2002 was subject to an

1 existing agreement with the Department of Assessments and Taxation under § 8-213  
2 of the Tax - Property Article, the provisions of § 8-213(c)(1) and (d)(1) of the Tax -  
3 Property Article as enacted under Section 1 of this Act shall be effective beginning  
4 with the January 1, 2002 date of finality for assessments for the property tax year  
5 beginning July 1, 2002.

6 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect  
7 June 1, 2002.