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By: Senators Hogan, Currie, Ferguson, Lawlah, Munson, and Neall

Introduced and read first time: February 1, 2002

Assigned to: Budget and Taxation

A BILL ENTITLED

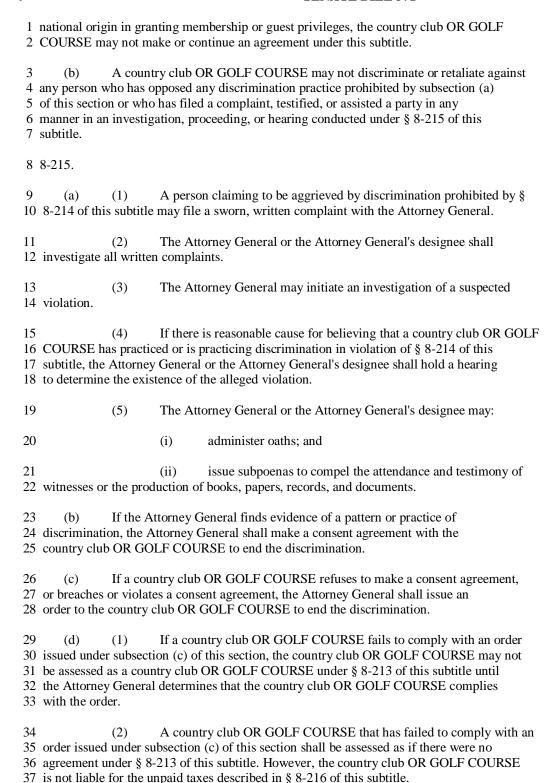
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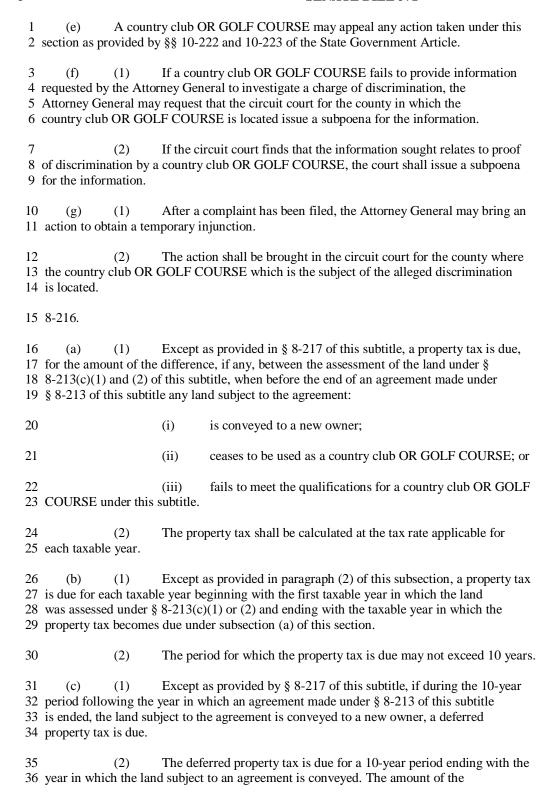
2 Property Tax Assessment - Country Clubs and Golf Courses

- 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
- special valuation of certain golf course improvements for certain purposes;
- authorizing the Department to enter into agreements with golf courses to
- provide for the manner of assessing certain property of a golf course to be
- effective beginning with a certain date of finality for assessments for a certain
- tax year; providing for the application of this Act; and generally relating to the
- 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:
- 27 (4) land of a country club OR GOLF COURSE, assessed under §§ 8-212
- 28 through 8-217 of this title;

1	8-212.			
2 3	2 (A) A GOLF COURSE THAT IS OPEN TO THE PUBLIC IS ELIGIBLE TO BE 3 ASSESSED UNDER §§ 8-213 THROUGH 8-218 OF THIS SUBTITLE.			
4 5	(B) A country club is eligible to be assessed under $\S\S$ 8-213 through 8-218 of this subtitle if it:			
6 7	(1) has at least 100 members, who pay dues averaging \$50 or more annually for each member;			
8 9	(2) restricts use of its facilities primarily to members, families, and guests; and			
10	is located on at least 50 acres of land, on which is maintained:			
11	(i) a regular or championship golf course of at least 9 holes; and			
12	(ii) a clubhouse.			
13	8-213.			
	14 (a) In this section, "agreement" means an agreement made under subsection 15 (b) of this section.			
18	6 (b) The Department may make agreements with country clubs AND GOLF 7 COURSES that specify the manner of assessing the land AND COURSE 8 IMPROVEMENTS of a country club OR GOLF COURSE. All agreements shall contain 9 uniform provisions.			
22 23 24	(c) (1) Except as provided in paragraph (2) of this subsection, the land of a country club that is actively used as a country club that meets the requirements of § 8-212 of this subtitle OR GOLF COURSE shall be valued [on the basis of that use and may not be valued on the basis of any other use] USING THE HIGHEST USE VALUE RATES PER ACRE USED BY THE DEPARTMENT FOR VALUING LAND THAT IS ELIGIBLE 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 this subtitle OR GOLF COURSE has a greater MARKET value than its value when used as a country club OR GOLF COURSE, the land shall also be assessed on the basis of the greater value.			
	(3) Except as provided under § 8-216 of this subtitle, the property tax payable by a country club OR GOLF COURSE under this section is based on the assessment of the land under paragraph (1) of this subsection.			
	(4) If an assessment is made on the greater value under paragraph (2) of this subsection, the assessment records for the country club OR GOLF COURSE shall record the assessment under paragraphs (1) and (2) of this subsection.			

- **SENATE BILL 571** 1 Any assessment of the land of a country club OR GOLF COURSE under (5) 2 this section is effective on the date of finality next following the date of an agreement. 3 (D) (1) COURSE IMPROVEMENTS AT A COUNTRY CLUB OR GOLF COURSE, 4 SUCH AS TEES, GREENS, BUNKERS, FAIRWAYS, AND SIMILAR ITEMS, SHALL BE 5 VALUED BASED ON 50% OF THE CURRENT REPLACEMENT COST OF THE 6 IMPROVEMENTS. ANY ASSESSMENT OF THE COURSE IMPROVEMENTS OF A COUNTRY 7 (2) 8 CLUB OR GOLF COURSE UNDER THIS SECTION IS EFFECTIVE ON THE DATE OF 9 FINALITY NEXT FOLLOWING THE DATE OF AN AGREEMENT. 10 (1) An agreement shall be for at least 10 consecutive years or for a 11 longer period as determined by the country club OR GOLF COURSE and the 12 Department. 13 (2) An agreement may be extended, but only in increments of at least 5 14 years. 15 NOTWITHSTANDING SUBSECTIONS (C)(1) AND (D)(1) OF THIS SECTION, FOR (F) 16 ANY TAXABLE YEAR BEGINNING AFTER JUNE 30, 2002: FOR ANY COUNTRY CLUB OR GOLF COURSE IN EXISTENCE ON 17 (1) 18 JANUARY 1, 2002, THE USE VALUE OF THE PROPERTY FOR PURPOSES OF THIS 19 SECTION SHALL BE THE GREATER OF: 20 (I) THE VALUE AS DETERMINED UNDER SUBSECTION (C)(1) OR 21 (D)(1) OF THIS SECTION; OR THE VALUATION OF THE PROPERTY FOR PROPERTY TAX 22 (II)23 PURPOSES AS OF THE MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1, 24 2002 DATE OF FINALITY; AND 25 FOR A COUNTRY CLUB OR GOLF COURSE CONSTRUCTED AFTER (2) 26 JANUARY 1, 2002, THE USE VALUE OF THE PROPERTY FOR PURPOSES OF THIS 27 SECTION SHALL BE THE GREATER OF: THE VALUE AS DETERMINED UNDER SUBSECTION (C)(1) OR 28 (I) 29 (D)(1) OF THIS SECTION; OR 30 THE VALUATION OF THE PROPERTY AS IT WOULD HAVE BEEN (II)31 DETERMINED BY THE DEPARTMENT USING THE SAME METHODS AND ASSUMPTIONS 32 THAT THE DEPARTMENT USED FOR ASSESSMENTS OF SIMILAR PROPERTY AS OF THE 33 MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1, 2002 DATE OF FINALITY.
- 34 8-214.
- 35 (a) If a country club that meets the qualifications of § 8-212 of this subtitle OR
- 36 A GOLF COURSE allows or practices discrimination based on race, color, creed, sex, or





- 1 deferred property tax is the difference, if any, between the assessment of the land 2 under § 8-213(c)(1) and (2) of this subtitle.
- 3 (d) If during the period specified in subsection (b) or (c) of this section for
- 4 which a property tax is due, any part of land subject to the agreement is conveyed and
- 5 the remaining part continues to qualify as a country club OR GOLF COURSE under this
- 6 subtitle, the property taxes that are due under subsection (b) or (c) of this section are
- 7 based only on the assessment of the part of the land that is conveyed.
- 8 (e) Notwithstanding any period of limitation imposed by this article, a
- 9 property tax that is due under this section is a lien on the land of the country club OR
- 10 GOLF COURSE to which the tax is applicable until the tax is paid or ended by
- 11 operation of law.
- 12 8-217.
- 13 If a purchaser of all or any part of the land of a country club OR GOLF COURSE
- 14 accepts the obligations of an agreement made under § 8-213 of this subtitle, the
- 15 agreement is transferred to the purchaser. Property tax is not due under § 8-216 of
- 16 this subtitle on a conveyance of land of a country club OR GOLF COURSE under this
- 17 section.
- 18 8-218.
- 19 To administer the country club AND GOLF COURSE assessment provisions of this
- 20 subtitle, the Department shall:
- 21 (1) adopt uniform regulations; and
- 22 (2) prepare and distribute any forms that are required.
- 23 SECTION 2. AND BE IT FURTHER ENACTED, That:
- 24 (1) On or before September 30, 2002, the Department of Assessments
- 25 and Taxation may enter into agreements with golf courses to provide the manner of
- 26 assessing the land and course improvements of a golf course as provided in §§ 8-212
- 27 through 8-218 of the Tax Property Article; and
- 28 (2) Notwithstanding § 8-213(c)(5) or (d)(2) of the Tax Property Article
- 29 or any other provision of law, the agreements entered into under this section shall be
- 30 effective beginning with the January 1, 2002 date of finality for assessments for the
- 31 property tax year beginning July 1, 2002.
- 32 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
- 33 other provision of law, for a country club that as of January 1, 2002 was subject to an
- 34 existing agreement with the Department of Assessments and Taxation under § 8-213
- 35 of the Tax Property Article, the provisions of § 8-213(c)(1) and (d)(1) of the Tax -
- 36 Property Article as enacted under Section 1 of this Act shall be effective beginning
- 37 with the January 1, 2002 date of finality for assessments for the property tax year
- 38 beginning July 1, 2002.

- SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect 2 June 1, 2002.