

SENATE BILL 571

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2002 Regular Session
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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

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:

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 (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 (B) A country club is eligible to be assessed under §§ 8-213 through 8-218 of
5 this subtitle if it:

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

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

10 (3) 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.

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

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

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

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

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

1 (5) Any assessment of the land of a country club OR GOLF COURSE under
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.

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

10 [(d)] (E) (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 (F) NOTWITHSTANDING SUBSECTIONS (C)(1) AND (D)(1) OF THIS SECTION, FOR
16 ANY TAXABLE YEAR BEGINNING AFTER JUNE 30, 2002:

17 (1) FOR ANY COUNTRY CLUB OR GOLF COURSE IN EXISTENCE ON
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

22 (II) THE VALUATION OF THE PROPERTY FOR PROPERTY TAX
23 PURPOSES AS OF THE MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1,
24 2002 DATE OF FINALITY; AND

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

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

30 (II) THE VALUATION OF THE PROPERTY AS IT WOULD HAVE BEEN
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 national origin in granting membership or guest privileges, the country club OR GOLF
2 COURSE may not make or continue an agreement under this subtitle.

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

8 8-215.

9 (a) (1) A person claiming to be aggrieved by discrimination prohibited by §
10 8-214 of this subtitle may file a sworn, written complaint with the Attorney General.

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

13 (3) The Attorney General may initiate an investigation of a suspected
14 violation.

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

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

20 (i) administer oaths; and

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

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

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

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

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

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

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

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

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

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

15 8-216.

16 (a) (1) Except as provided in § 8-217 of this subtitle, a property tax is due,
17 for the amount of the difference, if any, between the assessment of the land under §
18 8-213(c)(1) and (2) of this subtitle, when before the end of an agreement made under
19 § 8-213 of this subtitle any land subject to the agreement:

20 (i) is conveyed to a new owner;

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

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

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

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

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

31 (c) (1) Except as provided by § 8-217 of this subtitle, if during the 10-year
32 period following the year in which an agreement made under § 8-213 of this subtitle
33 is ended, the land subject to the agreement is conveyed to a new owner, a deferred
34 property tax is due.

35 (2) The deferred property tax is due for a 10-year period ending with the
36 year in which the land subject to an agreement is conveyed. The amount of the

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.

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