

SENATE BILL 571

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Q1

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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

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 29, 2002

CHAPTER _____

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; requiring the Department to adopt certain regulations; providing for
15 the application of this Act; and generally relating to the property tax assessment
16 of country clubs and golf courses.

17 BY repealing and reenacting, with amendments,
18 Article - Tax - Property
19 Section 8-101(b)(4) and 8-212 through ~~8-218~~ 8-219
20 Annotated Code of Maryland
21 (2001 Replacement Volume and 2001 Supplement)

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

1 **Article - Tax - Property**

2 8-101.

3 (b) Real property is a class of property and is divided into the following
4 subclasses:5 (4) land of a country club OR GOLF COURSE, assessed under §§ 8-212
6 through 8-217 of this title;

7 8-212.

8 (A) A GOLF COURSE THAT IS OPEN TO THE PUBLIC IS ELIGIBLE TO BE
9 ASSESSED UNDER §§ 8-213 THROUGH 8-218 OF THIS SUBTITLE IF IT IS LOCATED ON
10 AT LEAST 50 ACRES OF LAND ON WHICH IS MAINTAINED A REGULAR OR
11 CHAMPIONSHIP GOLF COURSE OF AT LEAST 9 HOLES.12 (B) A country club is eligible to be assessed under §§ 8-213 through 8-218 of
13 this subtitle if it:14 (1) has at least 100 members, who pay dues averaging \$50 or more
15 annually for each member;16 (2) restricts use of its facilities primarily to members, families, and
17 guests; and

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

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

20 (ii) a clubhouse.

21 8-213.

22 (a) In this section, "agreement" means an agreement made under subsection
23 (b) of this section.24 (b) The Department may make agreements with country clubs AND GOLF
25 COURSES that specify the manner of assessing the land ~~AND COURSE~~
26 ~~IMPROVEMENTS~~ of a country club OR GOLF COURSE. All agreements shall contain
27 uniform provisions.28 (c) (1) Except as provided in paragraph (2) of this subsection, the land of a
29 country club OR GOLF COURSE that is actively used as a country club OR GOLF
30 COURSE that meets the requirements of § 8-212 of this subtitle ~~OR GOLF COURSE~~
31 shall be valued [on the basis of that use and may not be valued on the basis of any
32 other use] ~~USING THE HIGHEST USE VALUE RATES PER ACRE USED BY THE~~
33 ~~DEPARTMENT FOR VALUING LAND THAT IS ELIGIBLE FOR AGRICULTURAL USE~~
34 ~~ASSESSMENT UNDER § 8-209 OF THIS SUBTITLE~~ AT RATES EQUIVALENT TO LAND
35 ASSESSED UNDER § 8-219 OF THIS SUBTITLE.

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

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

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

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

13 ~~(D) (1) COURSE IMPROVEMENTS AT A COUNTRY CLUB OR GOLF COURSE,
 14 SUCH AS TEES, GREENS, BUNKERS, FAIRWAYS, AND SIMILAR ITEMS, SHALL BE
 15 VALUED BASED ON 50% OF THE CURRENT REPLACEMENT COST OF THE
 16 IMPROVEMENTS.~~

17 ~~(2) ANY ASSESSMENT OF THE COURSE IMPROVEMENTS OF A COUNTRY
 18 CLUB OR GOLF COURSE UNDER THIS SECTION IS EFFECTIVE ON THE DATE OF
 19 FINALITY NEXT FOLLOWING THE DATE OF AN AGREEMENT.~~

20 ~~{(d)}~~ ~~(E)~~ (1) An agreement shall be for at least 10 consecutive years or for a
 21 longer period as determined by the country club OR GOLF COURSE and the
 22 Department.

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

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

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

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

32 ~~(II) THE VALUATION OF THE PROPERTY FOR PROPERTY TAX
 33 PURPOSES AS OF THE MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1,
 34 2002 DATE OF FINALITY; AND~~

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

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

3 (II) ~~THE VALUATION OF THE PROPERTY AS IT WOULD HAVE BEEN~~
4 ~~DETERMINED BY THE DEPARTMENT USING THE SAME METHODS AND ASSUMPTIONS~~
5 ~~THAT THE DEPARTMENT USED FOR ASSESSMENTS OF SIMILAR PROPERTY AS OF THE~~
6 ~~MOST RECENT DATE OF FINALITY BEFORE THE JANUARY 1, 2002 DATE OF FINALITY.~~

7 8-214.

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

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

18 8-215.

19 (a) (1) A person claiming to be aggrieved by discrimination prohibited by §
20 8-214 of this subtitle may file a sworn, written complaint with the Attorney General.

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

23 (3) The Attorney General may initiate an investigation of a suspected
24 violation.

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

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

30 (i) administer oaths; and

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

33 (b) If the Attorney General finds evidence of a pattern or practice of
34 discrimination, the Attorney General shall make a consent agreement with the
35 country club OR GOLD COURSE to end the discrimination.

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

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

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

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

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

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

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

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

27 8-216.

28 (a) (1) Except as provided in § 8-217 of this subtitle, a property tax is due,
29 for the amount of the difference, if any, between the assessment of the land under §
30 8-213(c)(1) and (2) of this subtitle, when before the end of an agreement made under
31 § 8-213 of this subtitle any land subject to the agreement:

32 (i) is conveyed to a new owner;

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

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

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

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

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

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

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

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

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

23 8-217.

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

29 8-218.

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

32 (1) adopt uniform regulations; and

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

34 8-219.

35 (a) (1) In this section, the following words have the meanings indicated.

36 (2) "Easement" means an interest in land that:

1 (i) is conveyed or assigned in perpetuity or for a fixed period of
2 time to the Nature Conservancy or to a government or unit of a government; and

3 (ii) limits use of the land to preserve the natural open character of
4 the land.

5 (3) "Natural open character" means an area of great natural scenic
6 beauty, open space, natural conditions, or present use that:

7 (i) enhances the present or potential value of adjacent
8 development; or

9 (ii) maintains or enhances the conservation of natural or scenic
10 resources.

11 (b) Any land subject to an easement shall be assessed on the basis of its value
12 as required by this subtitle, but the value shall be adjusted by the effect of the
13 easement on the land.

14 (C) THE DEPARTMENT SHALL ADOPT REGULATIONS ESTABLISHING THE
15 VALUE OF LAND ASSESSED UNDER THIS SECTION.

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

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

21 (2) Notwithstanding § 8-213(c)(5) ~~or (d)(2)~~ of the Tax - Property Article
22 or any other provision of law, ~~the~~ agreements entered into under this section on or
23 before September 30, 2002 shall be effective beginning with the January 1, 2002 date
24 of finality for assessments for the property tax year beginning July 1, 2002.

25 SECTION 3. AND BE IT FURTHER ENACTED, That, notwithstanding any
26 other provision of law, for a country club that as of January 1, 2002 was subject to an
27 existing agreement with the Department of Assessments and Taxation under § 8-213
28 of the Tax - Property Article, the provisions of § 8-213(c)(1) ~~and (d)(1)~~ of the Tax -
29 Property Article as enacted under Section 1 of this Act shall be effective beginning
30 with the January 1, 2002 date of finality for assessments for the property tax year
31 beginning July 1, 2002.

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

