

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 874  
Ways and Means

(Delegate Acevero, *et al.*)

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Property Tax - Special Use Assessment of Country Clubs and Golf Courses -  
Repeal

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This bill repeals a special use assessment for land of a country club or golf course. **The bill takes effect June 1, 2025, and applies to taxable years beginning after June 30, 2025.**

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Fiscal Summary

**State Effect:** Annuity Bond Fund (ABF) revenues increase by approximately \$521,200 annually beginning in FY 2026. State expenditures are not affected.

**Local Effect:** Local property tax revenues increase by approximately \$5.6 million annually beginning in FY 2026. Local expenditures are not affected.

**Small Business Effect:** Potential meaningful. Owners of small golf courses will have to pay more in State and local property taxes.

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Analysis

**Current Law:** For assessment purposes, property in the State is divided into two classes of property – real and personal – and each property class consists of several subclasses.

Real property is divided into the following subclasses: (1) land that is actively devoted to farm or agricultural use; (2) marshland; (3) woodland; (4) land of a country club or golf course; (5) land that is used for a planned development; (6) rezoned real property that is used for residential purposes; (7) operating real property of a railroad; (8) operating real property of a public utility; (9) specified income producing real property; (10) conservation property; and (11) all other real property that is assessed.

## *Assessment of Golf Courses and Country Clubs*

A golf course that is open to the public is eligible for a special use assessment if it is located on at least 50 acres of land on which is maintained a regular or championship golf course of at least nine holes.

A country club is eligible for a special use assessment if it (1) has at least 100 members, who pay dues averaging \$50 or more annually for each member; (2) restricts use of its facilities primarily to members, families, and guests; and (3) is located on at least 50 acres of land, on which is maintained a regular or championship golf course of at least nine holes and a clubhouse.

The State Department of Assessments and Taxation (SDAT) may make agreements with country clubs and golf courses that specify the manner of assessing the land of a country club or golf course. All of these agreements must contain uniform provisions. An agreement must be for at least 10 consecutive years or for a longer period as determined by the country club or golf course and SDAT. An agreement may be extended by increments of at least 5 years.

All property belonging to country clubs and golf courses are valued at market value, except for the acreage used for the actual golf course, which is subject to the special use assessment rates. The Budget Reconciliation and Financing Act (BRFA) of 2020 (Chapter 538) altered the special use assessment for country clubs and golf courses that enter into or extend the term of a specified agreement with SDAT on or after June 1, 2020. The special use assessment increases from \$1,000 per acre to the lesser of market value or \$2,000 per acre (year one), \$3,500 per acre (year two), and \$5,000 per acre (year three). Beginning in the fourth year of the agreement or the extended term, the annual per acre assessment increases by a specified percentage based on a calculated assessment rate index. The BRFA of 2021 (Chapter 150) clarified the special use assessment rates by basing the calculation on the lesser of market value or \$5,000 per acre for the date of finality following the date of the agreement. In addition, SDAT is permitted to phase in the special use assessment rates over a three-year period, as is done with all other real property.

**State Fiscal Effect:** ABF revenues increase by approximately \$521,200 beginning in fiscal 2026 as a result of repealing the special use assessment for land of country clubs and golf courses. The estimate is based on the following:

- there are approximately 17,000 acres of land in the State that are subject to special use assessment agreements for country clubs and golf courses;
- the assessed value of this land was approximately \$62.7 million;
- the market value assessment for this land is approximately \$528.1 million; the average market value per acre was approximately \$31,000; and,
- the State real property tax rate is \$0.112 per \$100 of assessment.

**Local Fiscal Effect:** Based on the data used for the State revenue estimate, discussed above, and an average local property tax rate of \$1.2021 per \$100 of assessment, local property tax revenues could increase by \$5.6 million annually beginning in fiscal 2026. The actual amount of the increase in each county will depend on the number of country clubs and golf courses that are in each jurisdiction and local property tax rates.

Additional information on local property tax rates and revenues for Maryland counties and Baltimore City can be found in the [County Revenue Outlook Report](#). Additional information on the county property tax base can be found in the [Local Government Overview Report](#). A copy of both reports is available on the Department of Legislative Services [website](#).

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### Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Frederick and Harford counties; Maryland Municipal League; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 16, 2025  
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