

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
Preliminary

MC 11-19

(Montgomery County Delegation)

**Montgomery County - Uniformity of Property Tax Assessments - Use of
Pesticides by Country Clubs and Golf Courses MC 11-19**

This proposed constitutional amendment requires a golf course or country club in Montgomery County to comply with specified Montgomery County requirements for the application of pesticides on private lawns in order to be eligible for the special land use assessment for specified golf course or country club land. The bill specifies that any agreement between a golf course or country club in Montgomery County and the State Department of Assessments and Taxation (SDAT) that was entered into on or before June 1, 2020, is null and void at the earlier of the end of the agreement or June 30, 2031, if the golf course or country club is ineligible to receive the special land use assessment. **The bill takes effect June 1, 2019, and applies to taxable years beginning after June 30, 2021, contingent upon passage of the Constitutional Amendment by qualified voters at the November 2020 general election.**

Fiscal Summary

State Effect: Potential increase in State property tax revenues (Annuity Bond Fund) to the extent that golf courses and country clubs in Montgomery County are ineligible to receive a special land use assessment.

Local Effect: Potential increase in county and municipal property tax revenues in Montgomery County to the extent that golf courses and country clubs are ineligible to receive a special land use assessment.

Small Business Effect: None.

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.

Personal property is divided into the following subclasses: (1) stock in business; (2) distilled spirits; (3) operating personal property of a railroad; (4) operating personal property of a public utility that is machinery or equipment used to generate electricity or steam for sale; (5) all other operating personal property of a public utility; (6) machinery and equipment, other than operating personal property of a public utility, that is used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building; and (7) all other personal 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.

SDAT may make agreements with golf courses and country clubs that specify the manner of assessing the land of a golf course or country club. 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 golf course or country club and SDAT. An agreement may be extended by increments of at least 5 years.

Except as otherwise provided, land owned by a golf course or country club is typically assessed at \$1,000 per acre, subject to an agreement with SDAT, which is the same rate that is applied to land subject to specified open space easements.

Background: The following golf courses and country clubs in Montgomery County have special use assessment agreements with SDAT:

- Argyle Country Club
- Bethesda Country Club
- Chevy Chase Club
- Columbia Country Club
- Congressional Country Club
- Kenwood Golf & Country Club
- Lakewood Country Club
- Manor Country Club
- Members Club at Four Streams
- Montgomery Country Club
- Norbeck Country Club
- Tournament Players Club at Avenel
- Woodmont Country Club
- Cross Creek Golf Club
- Blue Mash Golf Course

State Fiscal Effect: State property tax revenues for the Annuity Bond Fund may increase to the extent that golf courses and country clubs in Montgomery County are ineligible to receive a special land use assessment. The amount of any property tax increase depends on when and if a golf course or country club is determined to be ineligible for the special use assessment and the property tax assessment of the property. The Department of Legislative Services (DLS) does not have any information to indicate that any golf courses or country clubs are using fertilizers in a manner that would be considered to be in violation of the Montgomery County Code.

Local Fiscal Effect: Montgomery County property tax revenues may increase to the extent that golf courses and country clubs are ineligible to receive a special land use assessment. The amount of any property tax increase depends on when and if a golf course or country club is determined to be ineligible for the special use assessment and the property tax assessment of the property. DLS does not have any information to indicate that any golf courses or country clubs are using fertilizers in a manner that would be considered to be in violation of the Montgomery County Code.

Additional Information

Prior Introductions: None.

Cross File: Unavailable at this time.

Information Source(s): State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History:
mag/hlb

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