

DEPARTMENT OF TAXATION

2006 Fiscal Impact Statement

1. **Patron** G. Glenn Oder

2. **Bill Number** HB 916

3. **Committee** Senate Finance

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Real Property Tax; Land Use Taxation

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would declare that public and private golf courses are real estate devoted to open-space use for purposes of land use taxation.

The effective date of this bill is not specified.

6. **Fiscal Impact.** Not Available. (See Line 8.)

7. **Budget amendment necessary:** No.

8. Fiscal implications:

This bill has no impact on state revenues. To the extent that localities are not considering golf courses to be real estate devoted to open-space use, this bill would decrease local revenue by allowing golf courses to qualify for land use taxation.

9. Specific agency or political subdivisions affected:

All localities.

10. **Technical amendment necessary:** No.

11. Other comments:

Land Use Taxation

Land use valuation is intended to encourage conservation by providing tax relief to the owner of real estate devoted solely to agricultural, horticultural, forest or open-space use. In valuing land at its use value, the assessing officer considers only the value of the real estate in its current use. The assessing officer does not consider the fair market value of the land at its most profitable use.

"Real estate devoted to open-space use" is real estate real estate used as, or preserved for, (1) park or recreational purposes, (2) conservation of land or other natural resources, (3) floodways, (4) wetlands, (5) riparian buffers, (6) historic or scenic purposes, or (7) assisting in the shaping of the character, direction, and timing of community development or for the public interest and consistent with the local land-use plan.

Proposal

This bill would clarify that public and private golf courses are real estate devoted to open-space use for purposes of land use taxation.

Other Legislation

Senate Bill 56 would clarify the types of documents that local assessing officers may accept as evidence that real estate is devoted solely to agricultural or horticultural use when determining eligibility for special land use value assessment and taxation.

cc : Secretary of Finance

Date: 02/14/2006 JEM