

GOLF COURSE PROPERTY TAX AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul Ray

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Property Tax Act.

Highlighted Provisions:

This bill:

► changes provisions related to the assessment of golf courses for property tax purposes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-2-301.1, as last amended by Laws of Utah 2011, Chapter 157

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-2-301.1** is amended to read:

59-2-301.1. Assessment of property subject to a conservation easement --

Assessment of golf course or hunting club.

(1) In assessing the fair market value of property subject to a conservation easement under Title 57, Chapter 18, Land Conservation Easement Act, a county assessor shall consider



28 factors relating to the property and neighboring property that affect the fair market value of the
29 property being assessed, including:

30 (a) value that transfers to neighboring property because of the presence of a
31 conservation easement on the property being assessed;

32 (b) practical and legal restrictions on the development potential of the property because
33 of the presence of the conservation easement;

34 (c) the absence of neighboring property similarly subject to a conservation easement to
35 provide a basis for comparing values between properties; and

36 (d) any other factor that causes the fair market value of the property to be affected
37 because of the presence of a conservation easement.

38 ~~[(2) (a) In assessing the fair market value of a golf course or hunting club, a county
39 assessor shall consider factors relating to the golf course or hunting club and neighboring
40 property that affect the fair market value of the golf course or hunting club, including:]~~

41 ~~[(i) value that transfers to neighboring property because of the presence of the golf
42 course or hunting club;]~~

43 ~~[(ii) practical and legal restrictions on the development potential of the golf course or
44 hunting club; and]~~

45 ~~[(iii) the history of operation of the golf course or hunting club and the likelihood that
46 the present use will continue into the future.]~~

47 ~~[(b) The valuation method a county assessor may use in determining the fair market
48 value of a golf course or hunting club includes:]~~

49 ~~[(i) the cost approach;]~~

50 ~~[(ii) the income capitalization approach; and]~~

51 ~~[(iii) the sales comparison approach.]~~

52 (2) (a) The valuation methods a county assessor and commission may use in
53 determining the fair market value of a golf course or hunting club include:

54 (i) the cost approach;

55 (ii) the income approach, including the effective gross income multiplier approach; and

56 (iii) the sales comparison approach.

57 (b) In assessing the fair market value of a hunting club, a county assessor shall consider
58 factors relating to the hunting club and neighboring property that affect the fair market value of

59 the hunting club, including:
60 (i) value that transfers to neighboring property because of the presence of the hunting
61 club;
62 (ii) practical and legal restrictions on the development potential of the hunting club;
63 and
64 (iii) the history of operation of the hunting club and the likelihood that the present use
65 will continue into the future.
66 (c) (i) In assessing the fair market value of a golf course, there is a rebuttable
67 presumption that:
68 (A) if the county assessor or commission uses the income approach, the income
69 approach shall be given the highest weight;
70 (B) a golf course has transferred value to neighboring property; and
71 (C) the highest and best use of a golf course is to continue to operate as a golf course.
72 (ii) If a golf course does not continuously operate as a golf course for an entire taxable
73 year, the county assessor and commission shall make an appropriate obsolescence adjustment.
74 **Section 2. Retrospective operation.**
75 This bill has retrospective operation for a taxable year beginning on or after January 1,
76 2016.

Legislative Review Note
Office of Legislative Research and General Counsel