



Montgomery County

Democratic Socialists of America

HB 1120 - Property Tax – Special Use Assessment of Country Clubs and Golf Courses – Repeal

Position: Favorable

Date: March 9th

Committee: Ways and Means

Chair Kaiser, Vice Chair Washington, and members of the Ways and Means Committee:

The Montgomery County, Maryland branch of DSA strongly supports **House Bill 1120**, introduced by Delegate Acevero, which would put an end to tax subsidies given to private country clubs.

The Democratic Socialists of America (DSA) is the largest socialist organization in the United States, with over 90,000 members and chapters that span all 50 states, as of February 2021. As a democratically run, member-funded organization, DSA advocates and organizes for an economy and society that is run for and by working people, with a central goal of meeting human needs, rather than maximizing profit for the few.

Currently, the State of Maryland provides property tax subsidies to country clubs by assessing their property at a rate far below market value when determining clubs' tax liability. Columbia Country Club, for example, pays less than 25% of what its property tax bill would be if it was taxed at the same rate as homeowners. The actual market rate assessments for golf courses in the county ranges from \$12,500 per acre to close to \$1.1 million per acre, according to a fiscal and policy note. Elite country clubs like Woodmont, Columbia, Chevy Chase and Congressional enjoy a property tax break that accounts for **\$10 million in lost revenue for Montgomery County**, alone, each year. Meanwhile, the county has raised property tax rates on homeowners by almost nine percent in recent years. At the state-level, corporate loopholes and tax giveaways to the wealthy, including those given to country clubs, have cost our state \$2.8 billion in desperately needed revenue. The rest of Maryland's residents are mandated to pay taxes on their homes and properties, so why shouldn't country clubs? **It's time for our state delegates to close the loopholes and special tax breaks that benefit the wealthy at the expense of low- and middle-income families and especially people of color.**

Maryland faces a nearly \$1 billion budget shortfall, including \$609 million in the current fiscal year and \$312 million in Fiscal Year 2022. Maryland policymakers have confronted this dilemma by taking the course of least political resistance: making painful budgetary cuts at the expense of their most vulnerable constituents, including slashing \$413 million in funding for public services. Instead of making the owners of commercial properties, like country clubs, pay their fair share, our representatives propose that we make up the difference by cutting funding for schools, hospitals, and public transportation. All the while, our state government looks the other direction while millions of dollars in additional tax revenues are left on the table. "This country club tax break deal is probably the most glaring and obvious example of unfair tax policy," said Delegate David Hyon Moon.

Today, millions of Marylanders face unemployment, the threat of eviction, and lack of access to healthcare, amidst an ongoing pandemic. It's estimated that 27 million Americans may lose their employer-provided healthcare coverage. Many in our state face impossible choices like choosing between



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keeping the lights on or feeding their family. Some may sacrifice a WiFi connection in exchange for paying this month's rent, leaving their children with a roof over their heads but without reliable access to an education while their classes proceed virtually. Many Marylanders will risk their lives, and those of their families, by exposing themselves to a deadly virus in order to bring home a paycheck to make ends meet. These individuals are the ones working in food services, arts and entertainment, as well as those that government leaders have deemed "essential workers," staffing grocery stores, pharmacies, or health centers. Moreover, these workers are disproportionately people of color and women, and they are suffering from medical and economic crises which have been exacerbated by long-standing racial and gender disparities. **And while working families struggle with very little – if any – government assistance or safety net, the wealthiest Marylanders - who are overwhelmingly white men - rake in record profits.** Nine of Maryland's billionaires saw their wealth increase by \$4.1 billion during the first three months of the COVID-19 pandemic. "Marylanders are facing tough challenges now and they are counting on their state and local governments to help them through this crisis," said Nikki Thompson, campaign manager for the Maryland Fair Funding Coalition. "But with so many loopholes in our tax code that allow the ultra-rich and large corporations that are thriving in this economy to avoid paying their fair share, our state and local governments are struggling to find the resources to meet the needs of Maryland communities and residents."

Our elected officials must end the practice of giving wealthy country clubs and their private golf courses a sharply reduced property tax rate. It remains unconscionable for the working class to pay more in order to continue subsidizing the recreation of the ruling class. This kind of class privilege is obscene. Public services are being cut, while working people suffer. Simply put: these giveaways to the elite and giveaways to the playgrounds of the wealthy need to end and the needs of working Marylanders put first. All working Marylanders will benefit from repealing these tax breaks to the state's wealthiest.

It's immoral that billionaires get richer while average Americans struggle to meet their basic needs. **If our state leaders took action to close these loopholes, we would have billions more to invest in schools, health care, transportation, childcare, and other things our communities need to thrive.** This is an opportunity for a state-level stimulus plan and the Maryland General Assembly has a choice: implement fair taxes and raise adequate revenue for public services or continue to side with the whims of the wealthy.

We once again call upon the Maryland General Assembly to pass a bill ending these giveaways to the playgrounds of the wealthy and put working Marylanders first. DSA, along with countless constituents, will be watching the vote to see if their delegates take the sides of working people or the millionaires.