

NewsLinks



In this special issue of **NewsLinks** we depart from our customary mix of informational articles, and GPA news and happenings to focus on two services that we think are more timely than ever in today's challenging economic environment.

- Tax Assessments
- Club Advisory Program

Our Spring, 2009 issue is currently being prepared and will offer insightful articles on the following issues:

- Succession Planning
- Facilities Due Diligence
- Operations
- "Augusta Syndrome"
- The Practice Tee



Tax Assessments Pose Opportunity/Challenge

Like most appraisal firms, through the years GPA has provided valuation and expert testimony support for clients involved in ad-valorem tax assessment cases. We've worked for both taxpayers and taxing authorities with consistent success in providing reliable appraisals and litigation support, where needed. In addition, Larry Hirsh has presented lectures on the topic to golf course owners, golf associations and tax assessors groups around the nation.

2009 is likely to be a year where many clubs and golf course owners focus on their tax assessments as a way to balance budgets in challenging times. Accordingly, we feel it is a most opportune time to discuss some of the issues relevant to property taxation and how the fairness of an assessment can be calculated.

First and foremost, it is important that all taxpayers realize that a property owner cannot dispute taxes. However, you can dispute your assessment, which is typically based on the market value of the property.

In many states only real property (land and improvements) is assessed, so an adjustment must be made to the going concern value that is typically associated with golf properties, which normally trade inclusive of equipment, goodwill and other personal property. This can make a big difference, given the significant amount of personal property typically included with golf courses. With several methods of developing this adjustment, it is important to understand the impact on value as well as appropriate law guiding the valuation.

In pursuing a possible appeal, legal counsel and the appraiser must be intimately familiar with the statutory law and case law in the jurisdiction (usually state) in question. Each state may have specific requirements for the method of valuation or elements to be considered and laws in one state may contradict those in others and conflict with traditional valuation approaches.

In some states, like New York, golf courses and clubs can (and must, according to case law) be valued as golf properties. In most other states, all properties must be valued according to their highest and best use. Some states require the use of specific approaches and others preclude the use of certain approaches and valuation methods. In states having personal property tax, often the allocation of real and personal property is accomplished simply by deducting the personal property value (from the return) from the go-

