

IOWA PRE-EMPTION UPDATE

The Iowa Legislature recently passed Senate File 94, barring cities and towns from enacting their own pesticide regulations. Steven Cook, head superintendent at The Wakonda Club in Des Moines, Iowa, attended the public hearings and filed the following report — Ed.

To the editor:

In 1991, the town of Casey, Wis., made the word "pre-emption" very important to the green industry. State pre-emption of local pesticide legislation is an issue that affects the golf course industry more than many of us realize. Certainly that is the case here, in Iowa.

On Jan. 19, after a very long battle, the Iowa House of Representatives voted by nearly a two-thirds margin to accept a bill, Senate File 94, that allows state government to pre-empt local governments from enacting legislation concerning the use of pesticides. Thus the name, pre-emption.

Defeat of this legislation would have meant that any local government, whether a city or county, could write its own pesticide regulations, thereby making compliance to numerous laws a very difficult problem. Opposition to Senate File 94 tried to use the home rule argument, along with hysterical testimony on the evils of poisons, to place control of pesticide regulation in the domain of local officials. Many forces were joined here in Des Moines and throughout the state to help this bill pass through the Legislature. The Iowa Alliance of Environmental Concerns, an organization composed of the golf course and lawn care industries, lobbied hard in favor of golf course superintendents.

What many zealots of the environmentalist camp do not realize is that regulation will actually reduce the risk of pesticide abuse. By enacting tough laws which govern the entire state, we will be more assured the pesticide training and application is carried out with authority and uniformity. As environmentalists, golf course superintendents realize the importance and validity of making everyone adhere to the proper regulations of pesticide use. Why would we take away the right of the state to pass tougher legislation?

If control is wrested from the state, it will allow local municipalities to set their own rules. One city may be tough, while another is more lenient, allowing many lawn care companies off the hook. Why make one city safer than another? Why not make the entire state safe?

By letting the state administer pesticide laws, we ensure consistency in the training of applicators. Local governments currently do not have the trained staff or funds to judge the compliance of any new ordinance. Who would pay for this staffing? (A particularly good question at a time when local officials are complaining about federal

mandates they cannot afford to enact.)

Local regulation would not reduce the use of pesticides. That must come from individual companies and employers. Can you imagine the difficulty of compliance if every city in the state of Iowa had its own separate legislation? I suggest state governments make pesticide certification exams more difficult and raise the requirements for continuing education credit. They currently have every right to do just that. Meaningless signs — posted like billboards around a golf course — will do absolutely nothing towards pesticide use reduction. Posted signs do not guarantee the applicator will be wearing a respirator. He/she is the individual who is at direct risk. It follows, then, that he/she must take some responsibility in safety and compliance.

All of our problems have not been solved with the passage of Senate File 94 in Iowa. However, legislators know that golf courses are viable businesses in the state and that pesticides are applied by trained personnel. The issue of state pre-emption will now be decided in each state. It will be important that the golf industry makes itself heard.

Steven M. Cook, CGCS
Director of Association Affairs
Iowa Golf Course
Superintendents Association

DOAK BACKS ASGCA PRESIDENT

To the editor:

I would like to note my agreement with the letter from architect Jerry Matthews printed in your January 1994 issue, with regard to your voting on the "Best Architect of the Year."

I have the greatest respect for Tom Fazio, who was again named Architect of the Year, but I think that it does every architect, including Mr. Fazio, a disservice for you to have such an award.

Essentially, your voting is little more than a popularity contest in what is, unfortunately, increasingly a personality-driven business. Any equitable judging of golf course architecture must be made on a course-by-course basis, though even those judgments are biased by the designer's reputation and project budget. To vote on designers themselves tilts the playing field severely in favor of the handful who are household names and whose work is widespread enough to be known to all your readers.

Few of us would pretend to challenge the output of Tom Fazio's office over the past several years. We only wish we'd had half the opportunities with spectacular sites and generous budgets that he's had.

But if you'd change your award to look at individual designs instead of business reputation, I think you'd have a much more competitive and meaningful award, instead of simply reinforcing the status quo.

Tom Doak, president
Renaissance Golf Design, Inc.

'Tis the season for tax tips

By LAURENCE A. HIRSH

As local governments become hard pressed for operating revenues, they increasingly look to real estate taxes as revenue sources. Golf courses seem to be an easy target. Why not? Only 12 percent of the population plays golf and most are perceived by non-golfers as "rich people in bright clothes chasing a little white ball." Certainly a politically acceptable target.

The golf course industry can fight back.

Since real estate taxes are *ad valorem* (as to the value), the primary issue is usually the appraised or assessed value of the property. Golf courses and country clubs present a complex and unique valuation problem. Few tax assessors — or real estate appraisers — are experienced in performing these valuations, and often the golf course is valued exclusively by reproduction cost analysis. Many golf courses, especially those associated with residential developments, cost

more to build than their economic worth basis and thus unfairly high assessments result. Additionally, the unfamiliar tax assessor may attempt to support his reasoning with recent golf property sales using a price-per-hole analysis comparing incomparable properties having the same number of

holes and resulting in an inaccurate analysis.

Neither of these methods considers the property's income potential or the portion of that income that may be produced by personal property or business efforts and is non-taxable as real estate.

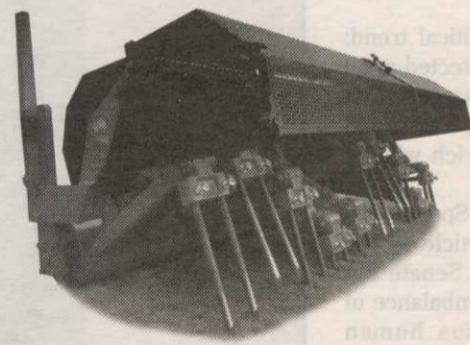
In recent years, many stronger valuation techniques for golf property valuation have been developed as the real estate appraisal profession has devoted more attention to golf courses. The Appraisal Institute has published a new book on the topic, numerous articles have appeared in appraisal publications on golf property valuation and there is a professional group of the most active and experienced golf course appraisers and analysts called the Society of Golf Appraisers, all of which has happened in the past three years. Appropriate



Laurence Hirsh

Laurence A. Hirsh, MAI, is president of Golf Property Analysts in Harrisburg, Pa. He is also a member of the Society of Golf Appraisers.

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Hirsh comment

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consideration now is given to value created for property surrounding golf courses resulting from costs incurred in building the golf course but not received by the golf course. Better income models and units of comparison have been developed as the real estate appraisal profession has learned how to work mutually with the golf industry to better understand golf properties.

Of the three commonly recognized approaches to value, by far the income approach yields a value conclusion most reflective of market behavior

because most golf properties are purchased as income-producing investments. This should be given utmost attention. Are rates, fees and round counts accurate? Are operating expenses consistent with the market? Is the rate of return consistent with appropriate economic factors? These, along with other questions, must be adequately answered to develop a value for the property. While the sales comparison and cost approaches can also provide accurate value indications, the income approach usually reflects market behavior most accurately.

Assuming that a value conclusion has been developed,

we realize that this includes income from and value attributed to items such as food and beverage sales, pro shop revenues, golf carts and other personal property and business items not directly attributable to the land and improvements (real estate). These items cannot be assessed as real estate and must be extracted from the overall value to produce a value conclusion for the real estate.

Real estate taxes often can amount to an expense in excess of \$100,000 for golf properties and the author has seen assessments of more than double the property value. When capitalized, this potential

tax savings can result in a substantial increase to your golf course's bottom line as well as an increase in the value realized from the property upon any future sale.

Pursuing a fair assessment will offer a number of challenges: First, as a golf course (or especially a private club) you will be an easy target. This means that you should have as much information supporting your appeal as possible and that your consultants be experienced experts in golf property valuation and tax assessment consulting and litigation.

Secondly, you may be in a state which has assessment laws and procedures which

might preclude the valuation from being done in the most accurate and technically correct manner.

Third, any estimate of personal property and business value is subject to close scrutiny because there are no techniques for valuing them which have been universally accepted or applied.

On the other hand, there are few experts in golf property valuation and often a property assessor who wishes to avoid future confrontations will be more receptive to a well prepared case in order to more effectively value other golf properties in his or her jurisdiction in the future.

EPA factoid letter

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sion, created food surpluses unprecedented in history, and has reduced the amount of land necessary to feed a growing population, thereby increasing land available for forestation.

2) EPA factoid: Golf courses are large users of pesticides.

(Ms. Browner says: "Today's golf courses use a large quantity of pesticides. In fact, golf courses use four to seven times more pesticides per treated-acre than farms.")

FACT: Golf courses are not large users of pesticides in absolute terms. How could they be? They comprise less than 1 percent of a national total of 450 acres of farmlands and golf courses. The per treated-acre use of pesticides comparison is preposterous and insulting to anyone with a knowledge of how statistics are derived — at least the USGA gives a method for computing your index!

3) EPA enviro-political trend: Wildlife must be protected at all costs. (Ms. Browner suggests that imaginative course operators and owners "can create rich wildlife habitats.")

The "Endangered Species Expansion Forecast" article by Joe Dysart suggests that Senate Bill 191 will add to the imbalance of animal rights versus human rights.)

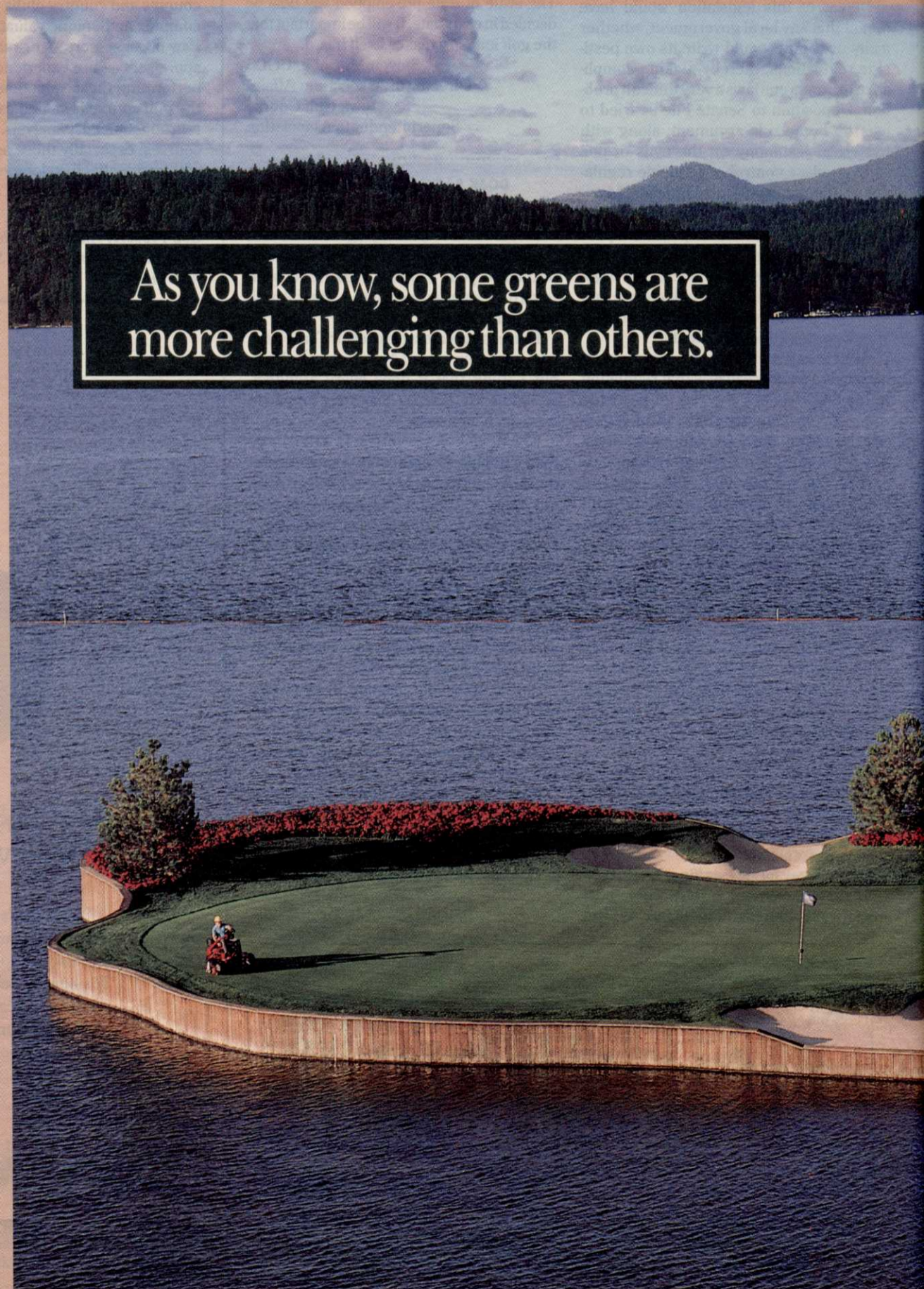
RESPONSE: "It is demeaning beyond belief to consider mankind simply another species of animal, no better and no worse than the wild beasts." (Dixie Lee Ray.

4) Scientific research: "Michigan State research shows insignificant amounts of fertilizer reach ground water."

COMMENT: Interestingly enough, the choice of "Off the Record" had some special meaning in this instance. Science finishes third, and, of course, it is not even "on the record."

Our enviro-vice president has predicted "an environmental holocaust without precedent." Perhaps our enviro-vice president and our EPA Administrator should take better care of our "avid golfer" president by warning him to stay away from the golf course?

David L. Collins, member
Royal Town Planning Institute



As you know, some greens are more challenging than others.

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