

Tax Study Shows Clubs Pay for More Than They Get

By EUGENE F. (SKIP) WOGAN

Professional, Essex Country Club, Manchester by the Sea, Mass.

LATELY we've been hearing that some golf clubs are virtually being taxed out of existence. The reports are too frequent, not alone because of the loss to golf but primarily because of the loss to the communities in which golf clubs are the targets of fatally heavy taxation.

The one who is qualified to belong to a private golf club is expected to be a citizen of such civic spirit and merit that he would not stubbornly and blindly stand in the way of community welfare to gratify his own legitimate recreation at his golf club. And it's been my observation that the country club members as a class are, far more than the general lot of citizens, sincere promoters of community progress.

Yet, in instances the country club member is censured as selfish because he protests against unreasonably high taxation of his club property. His protests, it must be admitted, generally aren't as effective as they might be simply because he doesn't know the other side of the taxing case.

I happen to be in a position to see the country club tax affairs with fairly accurate perspective.

I am professional at the Essex Country Club and have been with that club during 40 of its 60 years. I believe it was the first club, after the charter members, to join the USGA. I also have been for some years local assessor at Manchester-by-the-Sea, Mass. We New Englanders take our civic responsibilities quite seriously in the old-fashioned way. No one would become a tax assessor in our town as a pay-off in a popularity contest, or certainly wouldn't retain the job on the basis of fair and competent performance after the earnest controversies inevitable in any phase of taxation. But the assessing job must be done, impartially and with the solid good of all the community in mind.

We have our town meeting to show the method of evaluating properties, to explain how land value changes when use of the land changes, and to explain the valid and wise reasons for our local taxes.

So from this experience I'll survey the country club tax situation.

Golf Club Increases Values

The golf club enhances the value of its own and surrounding property by the mere fact of its existence as a golf club. The taxable value of the surrounding property is increased without one cent having been spent on the surrounding property by its owners and without one cent being spent in facilities and service by the municipality.

The golf club's investment, made by an association conducted "not for profit," contributes greatly — and generally far out of equality with its own financial investment — to the community's taxable valuation. In making that contribution the golf club plants and nourishes the seed of its own destruction by excessive taxation.

This condition is not peculiar to golf club locations that become residential areas. In agricultural areas the golf club with its treatment of soil to develop turf, its service in preventing erosion, in some cases diminishing dust storms, and frequently in supplying a market for neighboring farmers, contributes substantially to the economic as well as social welfare of the community.

And, in the cases of resort areas the golf clubs also serve as industries attracting money to the community and providing a market for labor and supplies.

Place in Planned Community

In modern community planning open areas as a civil defense element of incalculable importance are essential to the layouts. In some of our cities this phase alone justifies foresighted moderation in tax treatment to make sure of the golf club's survival.

Also in modern community planning provision is made for recreation facilities. Many metropolitan areas are obsolete and undesirable now because of lack of recreation areas for children but while that fact is recognized there has not been much recognition of the need of adults for the recreation that golf provides as a valuable bal-

ance against the nerve-shattering pressures of modern living. Even to those who do not play golf the green open spaces and the other scenic factors of a golf course are beneficial.

Now on a cold financial basis let's look at the private golf club in its relation to the rest of the community's financial picture. The "not for profit" policy of the private golf club actually means that the enterprise is run at a loss which members pay in return for the social, physical and mental values they receive from membership. Improvements to the property, expenses to offset depreciation and higher operating expenses at prevailing costs of labor, materials and supplies, keep the private golf club plant as the keynote of a first grade community's character. No blighted areas with reduced taxation and forfeitures for unpaid taxes surround the golf clubs.

Clubs Taxed Without Return

Furthermore, on the basis of its cost to the community, the golf club is a bargain far beyond the extent generally realized. In some instances where golf clubs unable to pay heavy taxes have been sold out to be used as residential or business sites it has been quickly realized that the vanished clubs were charged in taxes for a lot they didn't get. They actually took on an unduly heavy share of community expenses.

For instance; when the residential area is built on the former golf club site it is discovered by a few who read the story in figures that the golf club membership through club taxes had been paying a vastly disproportionate share of school expenses although the private club's membership included a very high percentage of people too old to have youngsters in school.

Incidentally I might say that one reason most private golf club memberships average older than is favorable to the healthy future of the club is because taxation makes it impossible for many desirable young people to afford country club membership.

On the school angle of country club replacement by residential construction you could say that there'd be about 250 homes built on the 170 acres the club formerly occupied. If the homes averaged two children and the average annual cost of school service per child was \$600, there'd be \$30,000 of community expense the golf club didn't require.

Certainly I think children are infinitely more important than golf clubs, but I simply cite this case to show that (1) there

might be other sites than existing golf clubs selected for financially sound residential planning, and (2) as an example of a golf club's comparatively small demand for community service.

When the golf course is converted into a residential area the club taxes are lost and although new taxes from home owners are received the expense of building and maintaining schools, roads, sidewalks, traffic control, water and sewerage, police and fire protection, and even election expenses, mount up in relation to tax income in a way that makes the former golf club obviously the most profitable, least demanding tenant the community ever had.

I have referred especially to the cases of private golf club taxation, but in most respects the factors apply in warranting moderation also in taxation of the privately-owned pay-as-you-play course which is a community asset without making heavy demands for community services.

And in the cases of municipal courses; as attractive front yards they generally figure substantially in increasing valuation for taxation of surrounding property. The public golf courses usually are unique among public utilities in being self-sustaining. Of course, like other public utilities, churches, schools, historical societies, etc., the public courses don't pay taxes. And why should they? If you were so disposed you might even put up a good argument for the public course charging no fee and being in the same class as other areas of the park or the park zoo.

The private golf club taxes per member call for more study than the subject has received and I believe that when the tax situation is completely and expertly examined from the viewpoints of the clubs and the taxing bodies a wise adjustment will be made in the tax situation which threatens the life of numerous older private golf clubs.

"Talks by Wm. Johnson of Los Angeles and Bob Williams of Chicago at a superintendents' convention, on improving tees paid a profit on my expenses to the convention as supt. of City of Norfolk (Va.) municipal courses. Our trees, many of which were bushes when they were planted in 1930, had grown to interfere with turf maintenance. From Johnson and Williams I got ideas for tree removal for turf improvement without diminishing the beauty of the course."—F. G. Bingham