

Break for country clubs means higher taxes for everyone else

Ruling shows what can be called open space

By James Fuller Daily Herald

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A recent court ruling gives massive assessment breaks to privately owned golf clubs — a decision that will pass along the uncollected taxes to other taxpayers, a Kane County official said Friday.

Only an adjustment to state law will prevent property taxes from increasing, said Kane County Supervisor of Assessments Mark Armstrong, who briefed county board members Friday on the outcome of a lawsuit between the Onwentsia Country Club in Lake Forest and the Illinois Property Tax Appeal Board.

The tax blow is not exclusive to Kane County. Residents in every other county in Illinois with a privately owned golf course would shoulder an increased share of the tax burden if the exemption remains and the clubs apply for the exemption, Armstrong said.

In the Kane County case, an appellate court ruled that a swimming pool, clubhouse, horse riding area, horse stable, parking lot, driveway and tennis courts all qualified as open space during the property tax assessment process. The landscaped areas, such as the golf course itself, already qualified as open space under Illinois law.

"So the court effectively created a country club tax exemption," Armstrong said. "It meant all their buildings should be assessed at zero for tax purposes."

That's great for country club owners, Armstrong said. But it creates a tax increase for everyone else.

"What happens here is not that government gets less money," Armstrong said. "What happens in this situation is that everyone else pays more. Private citizens pay the difference. I'm not convinced this is where the state legislature set out to go with the open space classification, but this is the result."

Armstrong, who also chairs a statewide assessors group, said assessors across Illinois are aware of the situation and are in the very early stages of pushing for a clarification to state law to block the country club exemption. The county board's legislative committee voiced support for that effort Friday after Armstrong showed the local impact.

There were 138 parcels granted open space assessments in Kane County last year. Of those, 27 were part of country clubs, privately owned golf courses or driving ranges. Before the court decision, those groups paid a combined \$958,462 in local property taxes. After the court decision, they will pay \$285,215.

That's nearly a 70 percent reduction in their previous combined share of the tax burden. The \$673,247 difference is what all other local property taxpayers would have to make up if the country club exemption survives.

Scott Metcalf is an attorney with the Chicago-based law firm of Franczek Radelet, which filed a brief in the original case and supports the clarification of the law assessors seek. Metcalf said the open space law is not the problem; the issue is country clubs expanding and applying the definition of open space in ways that don't make sense.

The appellate court agreed with the view of the Onwentsia County Club that if open space applies to the golf course portion of the county club then it should also apply to rest of the country club because the golf course would not be there if not for the other amenities as well. Metcalf disputes that argument.

"I think the legislative history raises doubts to whether or not this open space designation should be applied to things like swimming pools," Metcalf said. "Yes, there is some logic to applying the definition to golf courses. You do need some tee boxes and a parking lot. But do you really need all of those additional improvements like a horse stable to run a golf course?"