



HOPE HALLECK  
CLERK TO THE  
COUNTY BOARD

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March 21, 2018

The Honorable Ralph S. Northam  
Governor of Virginia  
Patrick Henry Building, 3<sup>rd</sup> Floor  
1111 East Broad Street  
Richmond, VA 23219

Dear Governor Northam:

We are writing to respectfully request that you veto HB1204, a bill adopted by the General Assembly mandating the open space assessment of golf course properties in Arlington County. In an effort to provide preferential tax treatment to two golf clubs in Arlington, the bill conflicts with the Constitution and Code of Virginia, sets a dangerous precedent for real property tax assessment decisions to be made in Richmond instead of at the local level, and undermines state laws related to the preservation of open space. Moreover, this legislated tax relief solely for two golf clubs has a substantial budgetary impact on Arlington County at the expense of schools, public safety, public services, public health, and transportation.

This bill would require Arlington County to assess the two country clubs located in the County as land devoted to open space. It mandates an assessment for Arlington's golf courses that currently is only available through an optional program local governments may adopt by ordinance. Such programs would require participating properties to pay taxes on the full fair market value of their property for the five years prior to when they choose to leave the program ("roll back taxes"), something HB1204 does not require.

Enacting this legislation is a dangerous intrusion into the local real estate assessment process which has traditionally been the sole province of local decision making, and sets a dangerous precedent of the General Assembly becoming the venue for what is at its core a local issue, potentially leading to further future carve outs for preferred property owners through legislation sought under the pretense of equity. Further, the legislation undermines the Use Value Taxation Program in Virginia, which since its inception in 1972, has provided preferential tax treatment for certain categories of real estate in exchange for their preservation. HB1204 clearly provides

the preferential tax treatment but, contrary to the Code of Virginia, does not require preservation of the property as open space, and absolves property owners from paying any tax recapture upon sale of their land.

Finally, HB1204 would result in a decrease of County tax revenue by \$1.43 million annually, necessitating significant potential reductions in the areas of student education, public safety, transportation, community health, and social services. This bill comes at a time when our community is already grappling with reductions to services in order to address budget gaps for the upcoming fiscal year and larger projected budget gaps in future years.

The County and the clubs had been utilizing the process established by the General Assembly for all property owners to challenge their assessments – namely through the Board of Equalization and the Circuit Court. While this process is not yet completed, we understand the concerns expressed by Washington Golf and Country Club and Army Navy Country Club. The County has, in the context of settlement discussions, proposed a revised approach to valuation of the clubs, and has expressed our willingness to work together to identify options to reduce their tax liability under the law. Given the good faith efforts to resolve the pending litigation with both clubs, and to mutually agree upon a valuation approach going forward, the County is requesting the time to address this matter locally instead of through legislative mandate. We are confident that we can reach a mutually agreeable resolution with both clubs, preventing this issue from returning to the General Assembly in the 2019 session.

For these reasons, we respectfully request that you veto this legislation. Thank you in advance for your consideration and for all that you do to support counties, cities and towns throughout the Commonwealth.

Sincerely,



Katie Cristol  
Chair



Christian Dorsey  
Vice-Chair



Libby Garvey  
Member



John Vihstadt  
Member



Erik Gutshall  
Member