



What is Greenbelt?

The Greenbelt Act (Subchapter F, Chapter 23, Tax Code) is a valid constitutional enactment, applicable to green spaces including private country clubs, among others. The Greenbelt Act provides for a reasonable classification of property based upon a legitimate state interest – the continued existence of scenic, park and recreational lands in urban areas.

A person is entitled to have land they own appraised under this subchapter if:

1. the land is restricted as provided by Subchapter F of the Texas Tax Code;
2. the land is used in a way that does not result in accrual of distributable profits, realization of private gain resulting from payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered, or realization of any other form of private gain;
3. the land has been devoted exclusively to recreational, park, or scenic uses for the preceding year; and
4. he is using and intends to use the land exclusively for those purposes in the current year.

Restricted Use:

The Greenbelt Act requires that a valid and enforceable deed restriction limiting the use of the land to recreational, park or scenic use for a period of at least ten years be filed and recorded in the county deed records.

This land is restricted in its use and may be used only for recreational, park or scenic uses during the term of the deed restriction. Appraisal of land according to its market value as recreational, park or scenic land reflects the fact that the owner of restricted land, unlike the owner of unrestricted land, is no longer free to realize the returns associated with making the highest and best use of the land.

Tax Exemption versus Tax Valuation

It is important to recognize the inherent difference between tax “valuation” and tax “exemption.” Appraisal under the terms of the Greenbelt Act provides only a method of assessing value; it does not result in exemption from taxation. The Greenbelt Act simply provides a standard valuation for land restricted in its use.

Only the land, exclusive of improvements, is eligible for appraisal under the Greenbelt Act. The clubhouse and all other improvements remain taxable at the standard rate, including all improvements to the land.

Benefits of Greenbelt:

High property values in urban areas often make it economically unfeasible to set aside lands for park, scenic or recreational use. Classification and special appraisal is a reasonable means of encouraging the continued use of urban lands for those purposes by taxing the land at a rate consistent with its restricted use.

In general, open spaces or greenbelts serve several basic needs in today's society:

- They provide recreational facilities that are aesthetically pleasing
- They aid in the development of attractive communities
- They provide sanctuaries for wildlife and help support the ecology

Golf courses, as open space, contribute to the property tax base in two ways:

1. By reason of its value as open space, a golf course directly imparts value to the surrounding property, which can be measured by comparing the value of adjoining and closely situated property with that of similar properties located outside the locale of the golf course. Typically, property values surrounding a golf course are 15 to 25 percent higher than they would be without the presence of the golf course.
2. Golf courses are themselves taxable properties. Clubs are taxed at fair market value for all improvements and building structures; including improvements made to the land.

Golf courses, as open space, can be financially beneficial to local governments by reducing costs for public infrastructure and programs, lessening the need for property tax increases. Golf courses relieve considerable financial burden on communities by providing funding for schools and other services that the clubs do not use themselves and avoiding the increased costs that more intensive use of the open space would generate. Increased use generally means growth in the population, which in turn increases costs in areas such as education and social services. In fact, past studies have indicated that open spaces often pay for themselves financially.

When golf courses are converted to more intensively developed use, the surrounding property values often decline and the community itself loses open space.

Private golf courses enhance public recreational opportunities. Since members of private clubs have purchased their own recreational facilities, they reduce the pressure on public recreation facilities, which club members are less likely to use but pay for anyway through personal taxes. Community spending for recreational services would be substantially increased if private recreation facilities did not exist.

Golf clubs spend millions of dollars improving their property, thus creating open space benefits those in surrounding areas (in terms of land use that is aesthetically appealing, and that avoids the congestion and other negative aspects of commercial development).

Court Case:

[Tarrant Appraisal District v. Colonial Country Club, 767 S.W.2d 230](#)