

# spotlight

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## MOORESVILLE NEEDS A MULLIGAN

The city government has no business being in the golf business

**S U M M A R Y :** Over the past five years, Mooresville's city owned and operated golf course experienced operational losses of nearly \$450,000. With its course, the city engages in unfair competition with six private courses in the county and 12 more courses in the surrounding area. Private golf courses pay taxes that support government services; the city does not. Unlike police and fire protection, golf is not an essential city service. If the course were sold, city taxpayers would gain the amount of the sale and avoid paying its average annual losses of \$90,000 per year. Also, a privately owned golf course would contribute to the tax base of the city and county.

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**m**ooresville bills itself as Race City, but a quick look at the city's spending habits reveals that the city could call itself Golf City. Over the last five years the city lost nearly \$450,000 on the city owned and operated golf course. That's enough to buy every Mooresville resident over 15 years of age a \$30 ticket to a NASCAR race.

Many cities consider it more important to spend money on police and fire protection and improving the streets than paying for the recreational activities of a small minority of golfers. Think of it this way: what would happen if the mayor suggested that the city devote 140 acres of city land and spend nearly \$90,000 per year for a polo field that benefits a very small number of polo players. I don't think he would be reelected. But the mayor and city council are doing just that for the golfers in Mooresville.

In addition, the taxpayer-subsidized golf course competes with six private golf courses in the county and twelve additional courses in the area. Private golf courses pay taxes that support essential government services. The 140 acres of the city golf course are not on the tax rolls. The city golf course is using this tax advantage to unfairly compete with the private courses in the area.

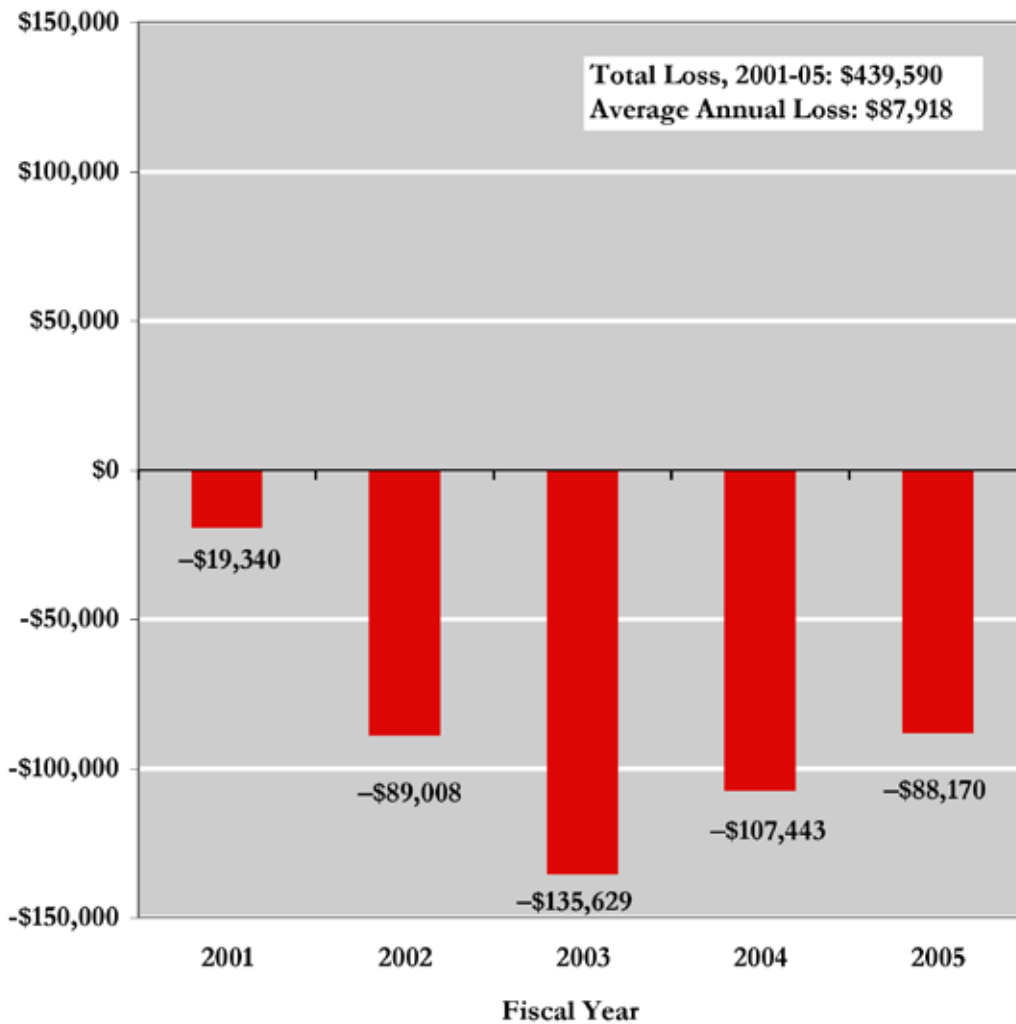
Imagine how you'd feel if you owned a sporting goods store and were being made to support a city-owned sporting goods store that offered lower prices because it received \$90,000 per year in tax subsidies.

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### Mooresville Golf Course — Annual Operating Income Losses, 2001-05



Source: Mooresville Comprehensive Annual Financial Report

### Recommendations

The city council should follow the advice of the great Oklahoma humorist Will Rogers: “When you find yourself in a hole, first stop digging.” It seems clear that the city should cut its losses and sell the city golf course. This would benefit the taxpayers in three ways.

First, the city would gain funds from the sale that could be used for essential city services such as hiring more police officers and filling potholes.

Next, the city budget would be increased by nearly \$90,000 per year because the city would no longer have to cover the golf course’s operating deficit.

Finally, by transferring the land to the private sector, the land would be returned to the tax rolls and the new owners would pay taxes, boosting the city budget and, perhaps, preventing a future tax increase.

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