

Department of Legislative Services
 Maryland General Assembly
 2006 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 702

(Senator Hogan, *et al.*)

Budget and Taxation

Ways and Means

Property Tax Assessment Appeals Board - Members - Salary

This bill alters the compensation received by members of the local property tax assessment appeals boards. The amount of compensation is set at a rate, in accordance with the State budget, of \$35 per hour but not exceeding \$210 per day and \$1,050 per week spent in hearing protests or executive sessions.

The bill takes effect July 1, 2006 and applies to all fiscal years beginning after June 30, 2007.

Fiscal Summary

State Effect: General fund expenditure increase of approximately \$101,400 annually beginning in FY 2008. Revenues would not be affected.

(in dollars)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	101,400	101,400	101,400	101,400
Net Effect	\$0	(\$101,400)	(\$101,400)	(\$101,400)	(\$101,400)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The compensation for members of local property tax assessment appeals boards is set an hourly rate as provided in the State budget. This amount is currently \$25.00 per hour.

Background: The Property Tax Assessment Appeals Boards (PTAAB) hear appeals in matters relating to the assessment of property throughout the State. There is one board in each county and Baltimore City. Each board has four members who are appointed by the Governor for five-year terms. The first appeal of an assessment goes to the Department of Assessments and Taxation (SDAT), which determines the original assessment. PTAABs are the second level of appeal, with subsequent appeals going to the Maryland Tax Court. Further appeals may be made through the judicial system. PTAAB has the following goals: to conduct appeals in a timely and efficient manner; and to render fair and accurate decisions. **Exhibit 1** shows the number of PTAAB cases heard by county in calendar 2005.

Exhibit 1 Property Tax Assessment Appeals Board Hearing Calendar 2005

<u>County</u>	<u>Number of PTAAB Cases</u>	<u>County</u>	<u>Number of PTAAB Cases</u>
Allegany	89	Harford	78
Anne Arundel	414	Howard	156
Baltimore City	911	Kent	40
Baltimore	595	Montgomery	1,172
Calvert	49	Prince George's	414
Caroline	35	Queen Anne's	55
Carroll	136	St. Mary's	64
Cecil	121	Somerset	23
Charles	97	Talbot	24
Dorchester	11	Washington	96
Frederick	129	Wicomico	15
Garrett	36	Worcester	27
Total			4,787

Source: Property Tax Assessment Appeals Board

The fiscal 2007 State budget includes \$771,000 for salaries and benefits of board members and staff. The PTAAB indicates that approximately \$245,000 is attributable to board member compensation.

State Fiscal Effect: PTAAB members currently hear cases six hours per day, five days per week. They currently receive compensation of \$25 per hour. The bill proposes increasing the hourly rate for board members to \$35 per hour, a \$10 per hour increase. **Exhibit 2** shows the annual hours worked by the local PTAABs for calendar 2002 through calendar 2005.

Exhibit 2
Local PTAAB – Total Hours Worked
Calendar 2002 – 2005

<u>Calendar Year</u>	<u>Total Hours Worked</u>
2002	10,070
2003	10,096
2004	10,365
2005	10,015
4-year Average	10,137

Source: Property Tax Assessment Appeals Board

Assuming a constant number of hours worked, based on the four-year average of hours worked from calendar 2002 through 2005, general fund expenditures could increase by \$101,365 annually beginning in fiscal 2008. The bill limits board members to \$210 per day and \$1,050 per week; this equates to \$35 per hour, six hours per day, five days per week.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Property Tax Assessment Appeals Board, Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2006
mam/hlb Revised - Senate Third Reader - March 28, 2006

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