



February 27, 2020

The Honorable Anne R. Kaiser, Chair
Ways and Means Committee
House Office Building, Room 131
Annapolis, MD 21401

Oppose: HB 1252 – Property Tax – Appeals of Assessments – Commercial Real Property

Dear Chairman, Kaiser and Committee Members:

The NAIOP Maryland Chapters, representing more than 700 companies that develop, and own commercial, industrial and mixed-use real estate oppose HB 1252 Property Tax – Appeals of Assessments – Commercial Property which extends the period for a county to appeal a commercial property tax assessment to 180 days from 45 days. The appeal period for the state, municipalities and private property owners would remain at 45 days.

Currently all parties have the same 45-day period to file an appeal and the State Department of Assessments and Taxation (SDAT) makes every effort to complete all reassessment appeals by June 1st. This is not only equitable but also serves to sync the timing of activities that commercial property owners, the state and local governments undertake after an assessment is final.

The bill grants a county 180 days (6-months) to file an appeal from any step of the process. This means that a property owner will not know if the county intends to appeal until mid-year and raises the real possibility that valuation and taxes due for a commercial property could remain unresolved late into the calendar year - possibly longer. This level of uncertainty interferes with budgeting and negotiating lease agreements for commercial property owners.

We do not see how allowing a potentially high number of appeals to occur after the turn of the fiscal year can be accommodated in the current schedule for decisions related to the Constant Yield Tax Rate.

The appeal rights granted to counties by this bill are twice as long as the longest appeal period allowed state agencies by Office of Administrative Hearings which provides appeals that range from 15 to a maximum of 90 days.

While proponents may argue more time is necessary to ensure appropriate tax collections, the bill also opens the door to overly aggressive appeals tactics by local governments seeking additional revenues.

For these reasons, NAIOP respectfully requests your unfavorable report on House Bill 1252.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP Maryland Chapters -*The Association for Commercial Real Estate*

cc: House Ways and Means Committee Members
Nick Manis – Manis, Canning Assoc.