

**SDAT\_HB0174\_SUPP.docx.pdf**

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Position: FAV

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**HEARING DATE:** March 26, 2024

**BILL:** HB0174

**TITLE:** Property Tax Assessment - Unsuccessful Appeals to Maryland Tax Court - Fee

**SDAT POSITION:** SUPPORT

The Department of Assessments and Taxation supports House Bill 174 - Property Tax Assessment - Unsuccessful Appeals to Maryland Tax Court - Fee. This bill would establish a \$100 filing fee for unsuccessful property tax assessment appeals to the Maryland Tax Court by high value commercial properties.

In most neighboring jurisdictions, all properties, regardless of their assessed value, are subject to some sort of filing fee imposed either by their local circuit court or state tax court when a real property assessment is appealed. Maryland is unique among its neighboring jurisdictions in that it does not charge a fee for property assessment appeals to the Tax Court under any circumstances. As a result, both the Department's assessors and the Maryland Tax Court spend a disproportionate amount of resources responding to often-baseless appeals that are automatically filed by high value commercial properties every assessment cycle.

House Bill 174 would give certain properties skin in the game by establishing a \$100 filing fee made payable to the Maryland Tax Court for unsuccessful appeals. This bill limits the fee to be paid only by revenue generating properties assessed at a value of \$5 million or greater to capture only those properties that take up the majority of the Department's resources without burdening the average homeowner.

Accordingly, the Department respectfully requests a **FAVORABLE** report on House Bill 174.

**HB0174-BT\_MACo\_SUP.pdf**

Uploaded by: Kevin Kinnally

Position: FAV



## House Bill 174

### *Property Tax Assessment – Unsuccessful Appeals to Maryland Tax Court – Fee*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 26, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 174. By applying a reasonable fee for property tax appeals on substantial income-producing properties, this bill makes meaningful progress toward eliminating a means of tax evasion that benefits commercial and industrial property owners at the expense of other property owners and residents.

Under current law, the Maryland State Department of Assessments and Taxation sets the value of each parcel of real property every three years through an assessment process. Unlike commercial and industrial property owners, county governments cannot file “out-of-cycle” appeals – which are appeals in the two years in which a property is not reassessed.

The assessment appeal process typically begins with an appeal of the notice of assessment. If a taxpayer is unsatisfied with the outcome, they may appeal to the appropriate Property Tax Assessment Appeals Board. A further appeal may be taken to the Maryland Tax Court, the final administrative entity for appeals to property tax assessments.

The bill requires owners of substantial commercial or industrial properties to have “skin in the game” by imposing a \$100 fee for assessment appeals on income-generating properties valued over \$5 million. This could help reduce the barrage of frivolous assessment appeals, which waste valuable time and resources and jeopardize limited local funds for schools, housing, public safety, public health, and other essential services.

By requiring reasonable fees for substantial commercial or industrial property tax appeals, HB 174 ensures a more equitable system for all taxpayers. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 174.