

March 22, 2024

Dear Chair Atterbeary, Vice Chair Wilkins and distinguished members of the Ways and Means committee,

I ask for your **unfavorable** report on Senate Bill 1027 entitled Property Tax - Appeals - Definition of "Taxpayer".

Facts:

- This is an emergency, retroactive bill that benefits a single property owner. American Self Storage, located at 3700 Plyers Mill Rd in Kensington, is a large, prominent, highly visible property that was upzoned a few years ago for mixed use. SDAT last assessed the property in January 2022 for \$21 million. It sold 8 months later in August 2022 for \$76 million..
- SDAT reviewed and increased the assessed value to \$76 million, phased in over three years. The property owner appealed SDAT's decision to the Property Tax Assessment Appeals Board. The property owner has since refused to pay their real property tax bill according to Montgomery County records.
- A PTAAB appeal hearing was scheduled for March 4th 2024, but it was canceled at the request of the property owner.
- Allowing Third party appeals was the intent of the legislature.
- Such appeals are good policy because they are in the interest of fairness and uniformity on which our system depends.
- If you take away third party appeals, there is no option for the community to flag an under assessed property for SDAT review, and the property owner has no incentive to appeal an under assessed property.
- There is no evidence in 40 years of people filing frivolous appeals.
- Enactment of SB1027 would cost the Town of Kensington \$120,000. It would cost the state \$100,000 and would cost Montgomery County \$600,000. For Kensington, passage of SB1027 would result in a loss of 5% of the Town's real property tax base.
- The retroactive provision of the bill violates the spirit against ex post facto laws. It is a private bill and is not in the public interest.
- This bill is an end-run around the normal process and not needed.

For these reasons I respectfully ask for an **unfavorable** report.

Sincerely,

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