

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

February 7, 2024

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Oppose: SB 576 – Property Tax Assessment Appeal Board – Regional Reorganization

Dear Chair, Guzzone, and Committee Members:

NAIOP represents 22,000 commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets.

On behalf of our member companies, I am writing to oppose SB 576 which would replace the county-based property tax assessors and appeal boards with a regional assessment and appeals board structure. NAIOP's opposition is based on the following rationale:

- Currently some Property Tax Assessment Appeals Boards have significant backlogs of cases. Wait times for hearings can be over a year and some boards have limited their work hours to manage the caseload. The structure proposed in SB 576 would result in a system that requires fewer board members to hear more cases. We do not see how this will reduce the case backlog.
- Appeals board members will be faced with unfavorable logistics of commuting to hearings in another county and taking on the appeals responsibilities for three or four jurisdictions in the region. For taxpayers, instead of driving to the county courthouse, they may have to drive long distances – Oakland to Hagerstown or between Elkton and Easton to participate in an assessment appeal. SB 576 will make it more difficult to recruit and retain appeals board members and for taxpayers to access appeals.
- Despite requiring that property owners provide annual income and expense information, property assessments are frequently wrong. This leaves the Property Tax Assessment Appeal Boards and the Tax Court to provide a much-needed backstop for taxpayers. The current system, which provides accessibility and local knowledge should be maintained.

For these reasons, NAIOP respectfully requests your unfavorable report on SB 576.

Sincerely,

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

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.