

Department of Legislative Services
Maryland General Assembly
2005 Session

FISCAL AND POLICY NOTE
Revised

House Bill 218

(Chairman, Ways and Means Committee)

(By Request – Departmental – Tax Court, Maryland)

Ways and Means

Budget and Taxation

Maryland Tax Court - Appeals Process - Time for Hearings and Determinations

This departmental bill alters the time period within which the Maryland Tax Court must hear and determine an appeal from a property tax assessment appeals board, from within 60 days to within 120 days, unless the court grants an extension at the request of a party.

Fiscal Summary

State Effect: The change is procedural in nature and would not directly affect governmental finances.

Local Effect: None.

Small Business Effect: The Maryland Tax Court has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. The attached assessment does not reflect amendments to the bill.

Analysis

Current Law: The Maryland Tax Court is required to hear and determine all property tax appeals on or before 60 days from the date the appeal is entered.

Background: In some instances, property tax appeals may be resolved within 60 days, however, not without substantial difficulty to both taxpayers and the State Department of Assessments and Taxation. Tax Court appeals are “*de novo*,” “on the record,” and require a petitioner to provide sufficient convincing affirmative evidence to achieve the

relief being sought. The satisfaction of this “burden of proof” involves preparation and thus time.

Notwithstanding the exchange of initial pleadings, motions, pretrial conferences, discovery and necessary postponements, large commercial property tax appeals require real property appraisers who in turn require months to prepare their respective appraisal reports. Pretrial and post-trial briefs are not always necessary but their exchange can add substantially to time requirements depending on the complexity of the case. The Tax Court indicates that in many cases the prompt resolution of a case is a case that can be completed within eight months.

During the last two reviews by the Office of Legislative Audits (OLA), current statutory language regarding the appeals process has caused some concern and OLA has advised that compliance with current law should be attempted where directed by statute.

With regards to appeals regarding all taxes except the property tax, the Tax General Article states that the Tax Court is required to hear and determine appeals promptly. The bill would conform the requirement for property tax appeals to other types of tax appeals.

Approximately 75% of overall appeals involve residential property appeals, about 90% of those would be resolved in less than 120 days, in most other cases, a waiver would likely be requested after 60 to 90 days.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Maryland Tax Court, Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2005
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