

Department of Legislative Services
Maryland General Assembly
2006 Session

FISCAL AND POLICY NOTE

House Bill 1578
Ways and Means

(Delegates Glassman and Sossi)

Task Force to Review the Property Tax Assessment Appeals Process

This bill establishes a Task Force to Review the Property Tax Assessment Appeals Process staffed by the Department of Legislative Services. The task force is required to: (1) study the current three-step process by which a property owner may appeal a property assessment or reassessment for property taxation purposes; (2) evaluate the effectiveness of the current process, taking into account the ease of access, degree of transparency, and difficulty navigating the process; and (3) recommend any process or procedural updates based on task force findings. The task force must be appointed and begin deliberations by August 1, 2006 and must submit a final report of its findings and recommendations to the Governor and the General Assembly by December 1, 2006.

The bill takes effect June 1, 2006 and terminates May 31, 2007.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for the Department of Legislative Services are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Background: Under current law, real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax

reform established in 1979. Under this process, assessors from the State Department of Assessments and Taxation physically inspect each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; or (4) a prior erroneous assessment. The assessor determines the current “full market value” of the property and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

The Property Tax Assessment Appeals Boards (PTAAB) hear appeals in matters relating to the assessment of property throughout the State. There is one board in each county and Baltimore City. Each board has four members who are appointed by the Governor for five-year terms. The first appeal of an assessment goes to the Department of Assessments and Taxation, which determines the original assessment. PTAABs are the second level of appeal, with subsequent appeals going to the Maryland Tax Court. Further appeals may be made through the judicial system. PTAAB has the following goals: to conduct appeals in a timely and efficient manner; and to render fair and accurate decisions. **Exhibit 1** shows the number of PTAAB hearings by county for calendar 2005.

Exhibit 1
Property Tax Assessment Appeals Board Hearing
Calendar 2005

<u>County</u>	<u>Number of PTAAB Cases</u>	<u>County</u>	<u>Number of PTAAB Cases</u>
Allegany	254	Harford	361
Anne Arundel	6,769	Howard	190
Baltimore City	2,793	Kent	80
Baltimore	3,347	Montgomery	5,363
Calvert	50	Prince George’s	3,308
Caroline	36	Queen Anne’s	97
Carroll	137	St. Mary’s	85
Cecil	131	Somerset	27
Charles	196	Talbot	133
Dorchester	15	Washington	76
Frederick	141	Wicomico	18
Garrett	40	Worcester	123
Total			23,770

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Property Tax Assessment Appeals Board, Department of Legislative Services

Fiscal Note History: First Reader - March 15, 2006
ncs/hlb

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