

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 834
Ways and Means

(Delegate Sossi, *et al.*)

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, 2007 and submit a final report of its findings and recommendations to the Governor and the General Assembly by December 1, 2007.

The bill takes effect June 1, 2007 and terminates May 31, 2008.

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 (SDAT) 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 SDAT, 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. PTAABs’ goals are to conduct appeals in a timely and efficient manner and render fair and accurate decisions. **Exhibit 1** shows the number of PTAAB hearings by county for calendar 2006.

Exhibit 1
Property Tax Assessment Appeals Board Hearings
Calendar 2006

<u>County</u>	<u>Number of Cases</u>		<u>County</u>	<u>Number of Cases</u>	
	<u>Received</u>	<u>Heard</u>		<u>Received</u>	<u>Heard</u>
Allegany	33	27	Harford	125	86
Anne Arundel	1,012	662	Howard	153	147
Baltimore City	1,370	662	Kent	24	18
Baltimore	554	696	Montgomery	2,049	1,538
Calvert	127	112	Prince George’s	718	697
Caroline	143	88	Queen Anne’s	353	337
Carroll	168	108	St. Mary’s	122	22
Cecil	151	133	Somerset	44	42
Charles	137	130	Talbot	18	16
Dorchester	55	46	Washington	155	134
Frederick	109	83	Wicomico	81	63
Garrett	12	10	Worcester	752	37
Total				8,465	5,894

Source: Property Tax Assessment Appeals Board

Additional Information

Prior Introductions: This bill was introduced as HB 1578 in 2006 and referred to the House Ways and Means Committee, which took no action on the bill.

Cross File: None.

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

Fiscal Note History: First Reader - March 2, 2007
mll/hlb

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