

**Department of Legislative Services**  
Maryland General Assembly  
2016 Session

**FISCAL AND POLICY NOTE**  
**Enrolled - Revised**

House Bill 1363

(Delegate McMillan, *et al.*)

Ways and Means

Budget and Taxation

**Property Tax - Appeals - Provision of Information to Taxpayers**

This bill makes several changes to the property tax assessment appeals process. In particular, the State Department of Assessments and Taxation (SDAT) is required to provide specified information to the taxpayer requesting an appeal.

The bill takes effect July 1, 2016.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$14,000 annually beginning in FY 2017 for additional mailings to taxpayers. Special fund revenues increase by \$7,000 annually beginning in FY 2017.

(in dollars)	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
SF Revenue	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000
GF Expenditure	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000
Net Effect	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)	(\$7,000)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** Local expenditures for reimbursements to SDAT increase by \$7,000 annually beginning in FY 2017. Local revenues are not affected.

**Small Business Effect:** None.

**Analysis**

**Bill Summary:** The bill makes the following changes to the property tax assessment appeals process.

- For a hearing before a supervisor of assessments that relates to the value of property, the person making the appeal must receive at least 14 days before the hearing: (1) the assessment worksheet or card for the property that is the subject of the appeal; and (2) the sales analysis for the neighborhood or property type of the property that is the subject of the appeal. SDAT must provide this information free of charge.
- If a person making an appeal before a supervisor of assessments states that SDAT has not provided the required information, SDAT must immediately provide the information. If a person making an appeal receives the required information for the first time on the date of the scheduled hearing, the hearing may be rescheduled at the option of the person making the appeal to a date that is 14 or more days after the previously scheduled hearing date.
- For a hearing before the Property Tax Assessment Appeals Board (PTAAB) that relates to the value of property, the person making the appeal must receive at least 30 days before the hearing, a list of other comparable properties.
- The bill repeals the requirement that the supervisor of assessments supply the requested list at least 30 days before the date that the hearing has been scheduled in response to a written request made at least 35 days before the hearing or within 5 days from a request made between 35 days and 15 days before the hearing.
- The list must also include for each comparable property on the list: (1) the sale price and date of sale; (2) the assessment and the year or years to which the assessment applied; and (3) the construction costs and the date of construction.
- The bill repeals the authorization for SDAT to charge a reasonable fee for copies of the information sent and requires the information to be provided free of charge.
- If a person making an appeal appears at the scheduled hearing before PTAAB and states that SDAT has not provided the required information, SDAT must immediately provide the information. If a person making an appeal receives the required information for the first time on the date of the scheduled hearing, the hearing may be rescheduled at the option of the person making the appeal to a date that is 30 or more days after the previously scheduled hearing date.

**Current Law:** For a hearing before PTAAB, the person making the appeal may submit a written request to the supervisor of assessments, at least 15 days before the hearing, for a

list of other properties that will be used as comparables (similar properties) by the supervisor at the scheduled hearing. The supervisor must supply the requested list at least 30 days before the date that the hearing has been scheduled in response to a written request made at least 35 days before the hearing or within 5 days from a request made between 35 days and 15 days before the hearing.

If the supervisor is going to use the information in the appeal, the list must also include for each property on the list: (1) the sale price and date of sale; (2) the assessment and the year or years to which the assessment applied; and (3) the construction costs and the date of construction. SDAT is authorized to charge a reasonable fee for copies of the information sent.

**Background:** There are three levels in the appeals process that property owners may pursue when appealing a property tax assessment. The first appeal of an assessment goes to SDAT, which determines the original assessment. To the extent a property owner receives an unsatisfactory ruling he or she may appeal to PTAABs, which hear appeals in matters relating to the assessment of property throughout the State. There is one board located in each county and Baltimore City. Each board has four members (three members and one alternate) who are appointed by the Governor for five-year terms. Further appeals may be made to the Maryland Tax Court.

**State Fiscal Effect:** SDAT receives approximately 25,000 property tax assessment appeals each year. The bill requires the department to provide those taxpayers who appeal a property tax assessment with specified information within a certain time period. SDAT reports that this information will likely be provided by mail, which will increase general fund expenditures by approximately \$14,000 annually. The estimate is based on 25,000 additional mailings each year, at a cost of \$0.56 per mailing.

Chapter 397 of 2011 requires the counties and Baltimore City to reimburse SDAT for (1) 50% of the costs of real property valuation; (2) 50% of the costs of business personal property valuation; and (3) 50% of costs incurred by SDAT with regard to information technology. Local expenditures are calculated on the basis of each county's share of real property accounts and business personal property as a percentage of the total. As a result, special fund revenues increase by \$7,000 annually beginning in fiscal 2017.

**Local Fiscal Effect:** Local governments are required to reimburse SDAT for 50% of its real property valuation costs. As a result, local expenditures increase by \$7,000 annually beginning in fiscal 2017. The increased expenditures range from \$41 in Kent County to \$1,024 in Montgomery County.

## **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - March 7, 2016  
kb/hlb Revised - Enrolled Bill - May 4, 2016

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