

E80E
Property Tax Assessment Appeals Board

Program Description

The Property Tax Assessment Appeals Board (PTAAB) is an independent agency that hears appeals related to the assessment of property in the State. There are 24 boards – 1 in each county and Baltimore City – all of which are supported by a central office and executive director. Each board has four to six members (three members and one to three alternatives) who are appointed by the Governor for five-year terms.

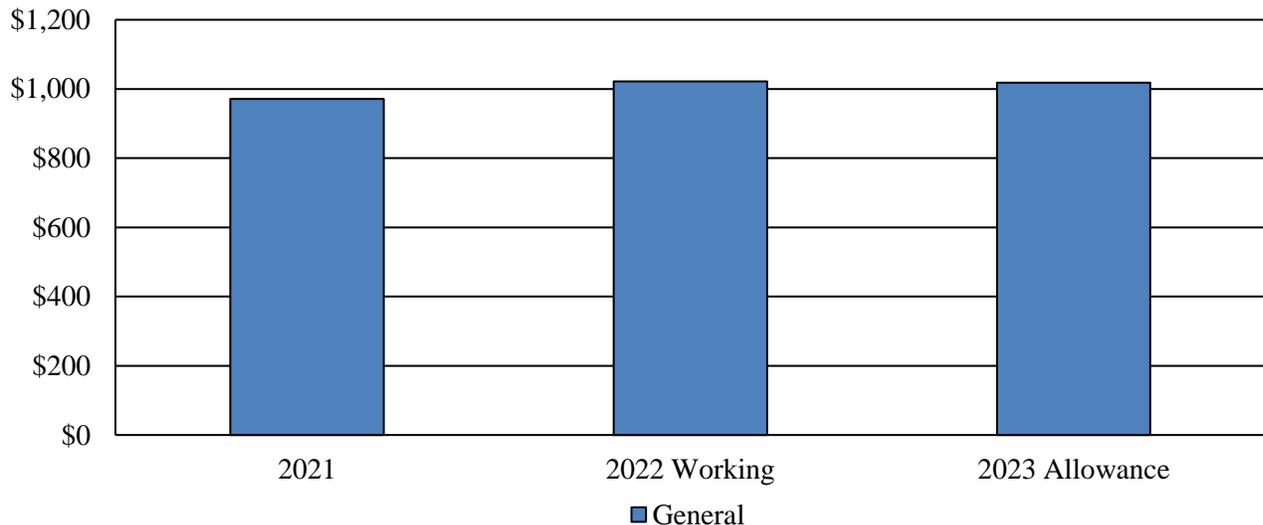
The first level of assessment appeals is conducted by the State Department of Assessments and Taxation (SDAT), which also makes the initial property tax assessments. PTAAB hears appeals from SDAT decisions; PTAAB decisions can then be appealed to the Maryland Tax Court (MTC). Further appeals may be made through the judicial system at the circuit court level.

PTAAB has the following goals:

- to conduct appeals in a timely and efficient manner; and
- to render fair and accurate decisions.

Operating Budget Summary

**Fiscal 2023 Budget Decreases \$4,473, or 0.4%, to \$1.0 Million
(\$ in Thousands)**



Note: Numbers may not sum due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

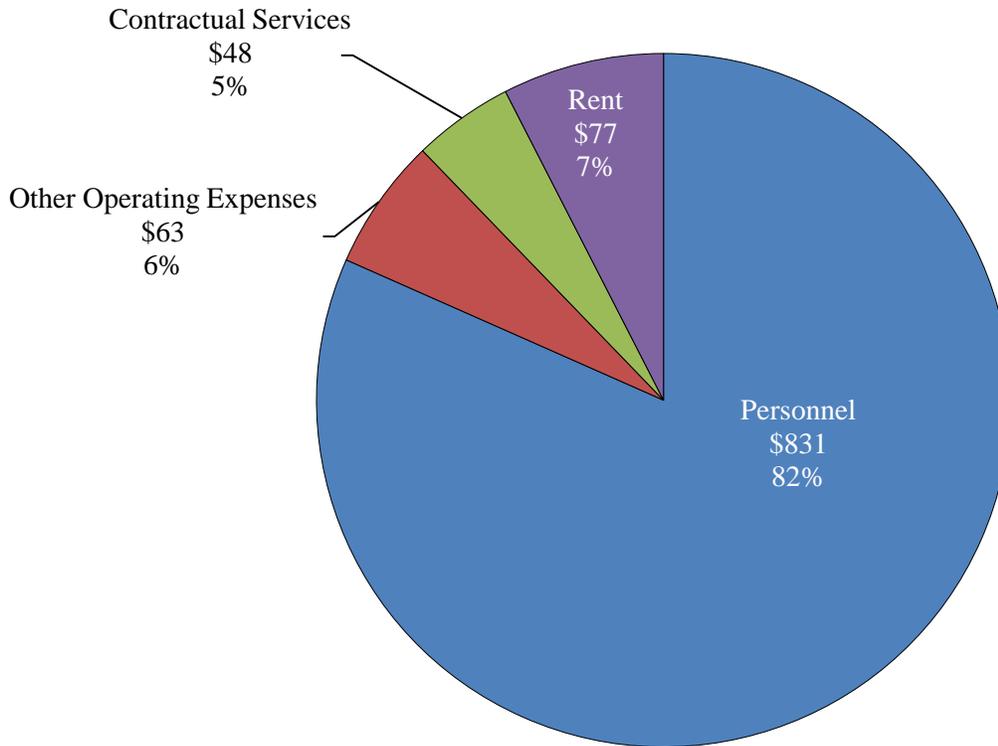
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Fiscal 2023 Overview of Agency Spending

The fiscal 2023 allowance of PTAAB is consistent with fiscal 2022. As shown in **Exhibit 1**, 82% of the agency’s fiscal 2023 allowance is allocated for personnel to support 8 regular positions. This accounts for roughly \$831,000 of the \$1.0 million total fiscal 2023 allowance. Rent accounts for another 7% of PTAAB’s budget, totaling approximately \$77,000.

Exhibit 1
Overview of Agency Spending
Fiscal 2023 Allowance
(\$ in Thousands)



Note: Numbers may not sum due to rounding. The fiscal 2023 allowance does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Source: Governor’s Fiscal 2023 Budget Books; Department of Legislature Services

Proposed Budget Change

Exhibit 2 outlines the changes within PTAAB’s fiscal 2023 allowance, a net decrease of \$4,473, or 0.4%, compared to the fiscal 2022 working appropriation. A net decrease of \$12,644 in the area of personnel can be primarily attributed to a decrease in regular earnings of \$32,561. The administrator and executive associate positions were recently filled and were hired at a lower salary than their predecessors. The decrease in regular earnings is partially offset through other fringe benefit adjustments.

**Exhibit 2
Proposed Budget
Property Tax Assessment Appeals Board
(\$ in Thousands)**

How Much It Grows:	General Fund	Total
Fiscal 2021 Actual	\$971	\$971
Fiscal 2022 Working Appropriation	1,022	1,022
Fiscal 2023 Allowance	<u>\$1,018</u>	<u>\$1,018</u>
Fiscal 2022-2023 Amount Change	-\$4	-\$4
Fiscal 2022-2023 Percent Change	-0.4%	-0.4%

Where It Goes:	Change
Personnel Expenses	
Regular earnings, Social Security contributions, unemployment compensation, other fringe benefits.....	\$23
Employee and retiree health insurance	-8
Employees’ retirement system	-6
Reclassification	-21
Other Changes	
Cost of purchasing a new vehicle	14
Cost allocations	3
Lowered printing costs due to office closures.....	-1
Other expenditures primarily to better reflect recent experience	-2
In-state travel	-3
Equipment rental	-3
Total	-\$4

Note: Numbers may not sum to total due to rounding. The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.

Personnel Data

	<u>FY 21</u> <u>Actual</u>	<u>FY 22</u> <u>Working</u>	<u>FY 23</u> <u>Allowance</u>	<u>FY 22-23</u> <u>Change</u>
Regular Positions	8.00	8.00	8.00	0.00
Contractual FTEs	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Personnel	8.00	8.00	8.00	0.00

Vacancy Data: Regular Positions

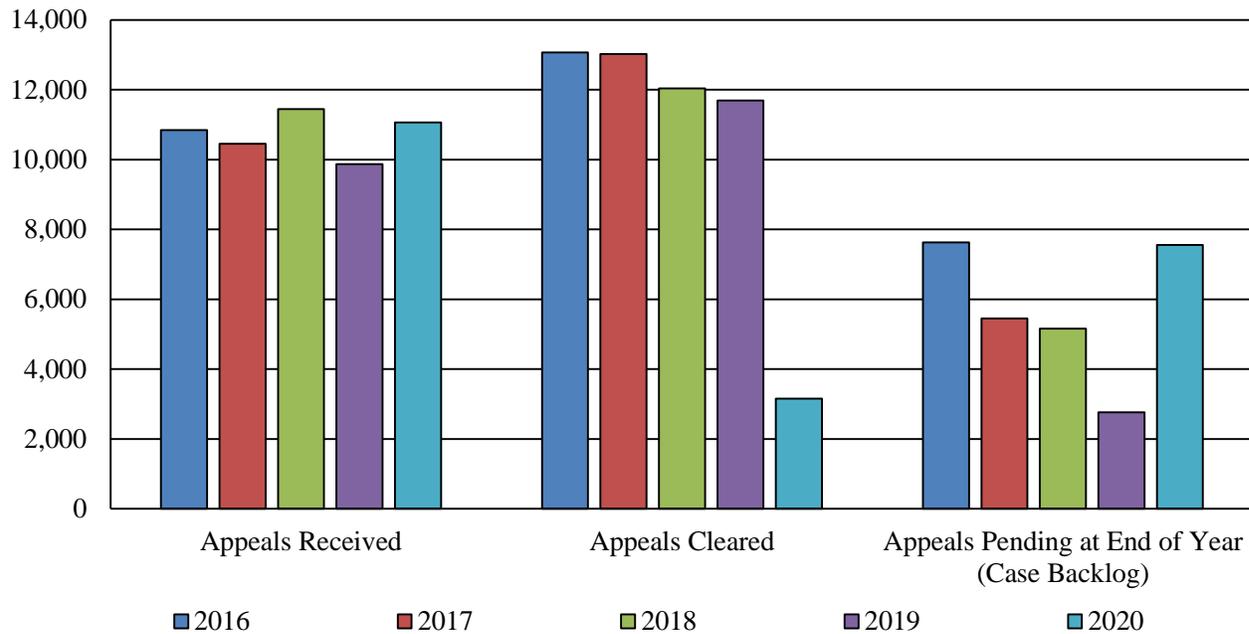
Turnover and Necessary Vacancies, Excluding New Positions		0.00	0.00%
Positions and Percentage Vacant as of 12/31/21		n/a	n/a
Vacancies Above Turnover		n/a	

Key Observations

1. Number of Assessment Appeals Cleared Drops Significantly

PTAAB aims to conduct appeals in a timely, efficient manner. **Exhibit 3** identifies the agency appeals caseload between calendar 2016 and 2020. The total number of appeals stayed relatively consistent between calendar 2018 and 2020, averaging 10,790 appeals per year. However, the number of appeals cleared in 2020 was only 3,157, or 29%, of the total appeals. This has resulted in an increased backlog from 2,760 cases in 2019 to 7,555 in 2020.

Exhibit 3
Agency Caseload and Backlog
Calendar 2016-2020



Source: Department of Budget and Management

Several factors impacted the heightened case backlog in calendar 2020, including COVID-19 pandemic-related closures and difficulties meeting due to pandemic-related health concerns. As PTAAB operates in every county and Baltimore City, the individual pandemic restrictions that the agency had to follow in order to hold hearings differed widely. Due to the nature of the pandemic, these difficulties have continued into calendar 2021 and 2022.

2. Percent of PTAAB Decisions Reversed by Tax Court Decreases

PTAAB’s second primary goal is to ensure that its decisions are accurate and fair, with less than 10% of decisions appealed to MTC. PTAAB met this goal in calendar 2020, as shown in **Exhibit 4**, with only 5% of its decisions appealed to MTC in that year. This is an improvement from 12% in calendar 2018 and 9% in calendar 2019. As an extension of PTAAB’s goal to be accurate, they aim to limit the number of decisions that are reversed by MTC. In calendar 2020, 5% of their decisions were reversed by MTC, an improvement from 13% in 2019.

Exhibit 4
Appeals of PTAAB Decisions to the Maryland Tax Court
Calendar 2016-2020

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Appeals Filed with Tax Court	10%	9%	12%	9%	5%
Appeals Reversed by Tax Court	22%	23%	7%	13%	5%

PTAAB: Property Tax Assessment Appeals Board

Source: Department of Budget and Management

Operating Budget Recommended Actions

1. Concur with Governor's allowance.

**Appendix 1
Audit Findings**

Audit Period for Last Audit:	November 12, 2015 – March 24, 2019
Issue Date:	January 2020
Number of Findings:	1
Number of Repeat Findings:	0
% of Repeat Findings:	0%
Rating: (if applicable)	n/a

Finding 1: Adequate procedures were not in place to ensure the propriety of work hours recorded in the Statewide Personnel System (SPS) for local board members. Neither the employee who entered the time in SPS nor the employee who approved the recorded time ensured that the timesheets had been signed by the board members or approved by the board chairperson.

*Bold denotes item repeated in full or part from preceding audit report.

**Appendix 2
Object/Fund Difference Report
Property Tax Assessment Appeals Board**

<u>Object/Fund</u>	<u>FY 21 Actual</u>	<u>FY 22 Working Appropriation</u>	<u>FY 23 Allowance</u>	<u>FY 22 - FY 23 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	8.00	8.00	8.00	0.00	0%
Total Positions	8.00	8.00	8.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 796,295	\$ 843,060	\$ 830,416	-\$ 12,644	-1.5%
02 Technical and Special Fees	185	250	250	0	0%
03 Communication	17,931	21,310	20,233	-1,077	-5.1%
04 Travel	8,548	15,045	12,545	-2,500	-16.6%
06 Fuel and Utilities	829	921	920	-1	-0.1%
07 Motor Vehicles	8,652	11,192	23,431	12,239	109.4%
08 Contractual Services	40,426	49,466	47,781	-1,685	-3.4%
09 Supplies and Materials	7,745	2,358	2,607	249	10.6%
10 Equipment – Replacement	13,905	110	0	-110	-100.0%
11 Equipment – Additional	308	0	0	0	0.0%
13 Fixed Charges	76,157	78,541	79,597	1,056	1.3%
Total Objects	\$ 970,981	\$ 1,022,253	\$ 1,017,780	-\$ 4,473	-0.4%
Funds					
01 General Fund	\$ 970,981	\$ 1,022,253	\$ 1,017,780	-\$ 4,473	-0.4%
Total Funds	\$ 970,981	\$ 1,022,253	\$ 1,017,780	-\$ 4,473	-0.4%

Note: The fiscal 2022 working appropriation and fiscal 2023 allowance do not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and may include annual salary review adjustments.