

E80E

Property Tax Assessment Appeals Board

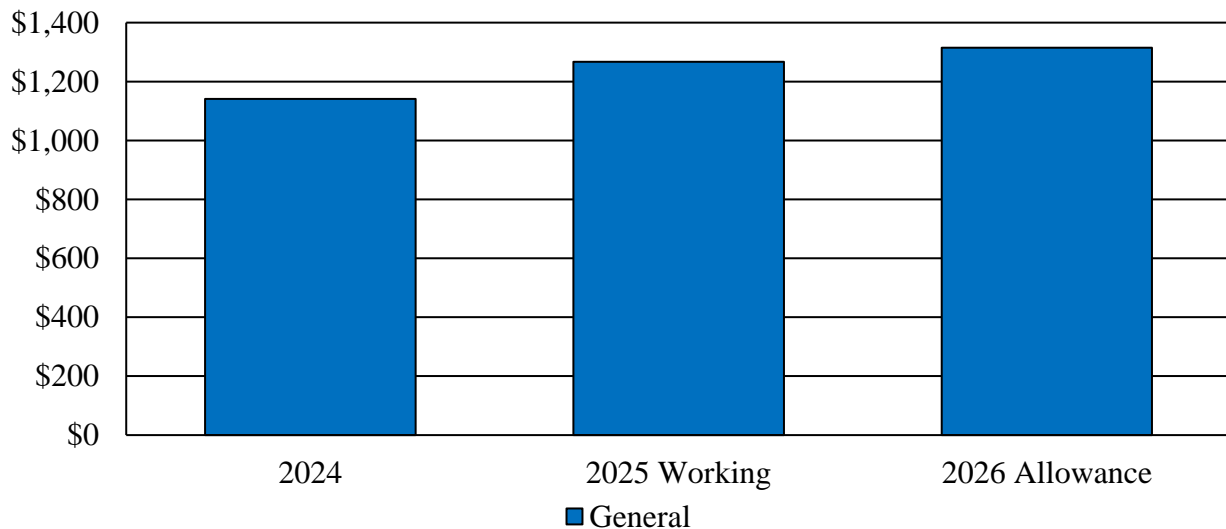
Program Description

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 an 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 2026 Budget Increases \$47,472, or 3.7%, to \$1.3 Million
(\$ in Thousands)



Note: The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency's budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency's budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency's budget.

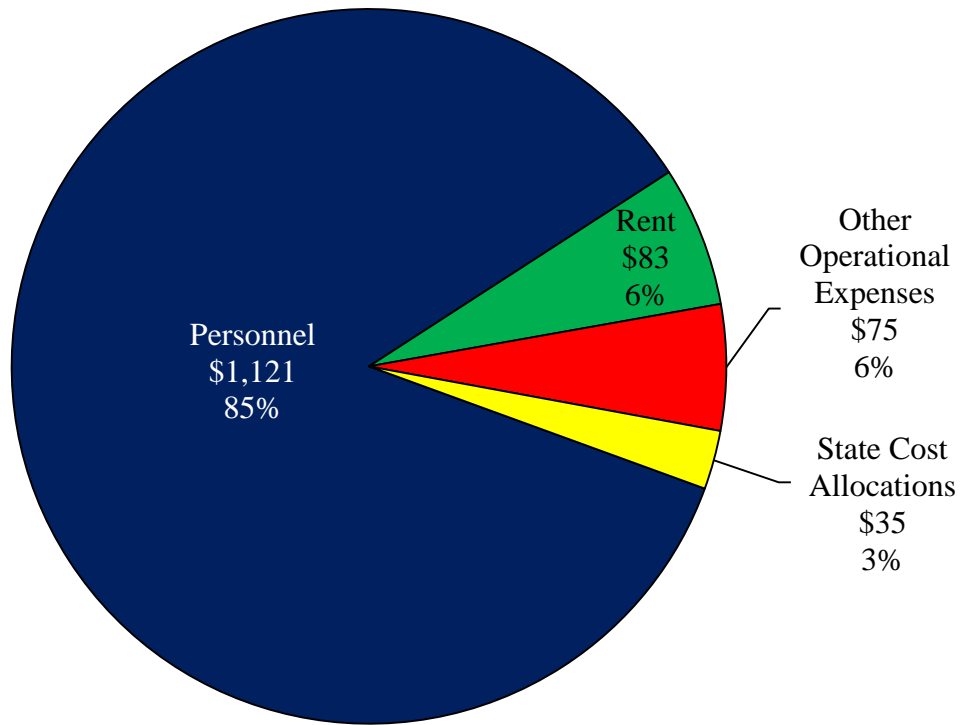
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Fiscal 2026 Overview of Agency Spending

As shown in **Exhibit 1**, 85% (approximately \$1.1 million) of PTAAB’s fiscal 2026 allowance is allocated for regular and contractual personnel. Other operational expenses and State cost allocations account for 9%, or about \$110,000, of PTAAB’s allowance. Rent totaling approximately \$83,000 comprises the remaining 6% of the budget.

Exhibit 1
Overview of Agency Spending
Fiscal 2026 Allowance
(\$ in Thousands)



Note: The fiscal 2026 statewide salary adjustments are centrally budgeted in the Department of Budget and Management and are not included in this agency’s budget.

Source: Department of Budget and Management

Proposed Budget Change

As shown in **Exhibit 2**, PTAAB’s fiscal 2026 allowance increases by \$47,472 compared to the fiscal 2025 working appropriation. This increase is driven primarily by regular personnel costs for salaries and fringe benefits and is partially offset by reductions in employee and retiree health insurance and State cost allocations.

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

How Much It Grows:	General Fund	Total
Fiscal 2024 Actual	\$1,141	\$1,141
Fiscal 2025 Working Appropriation	1,267	1,267
Fiscal 2026 Allowance	<u>1,315</u>	<u>1,315</u>
Fiscal 2025-2026 Amount Change	\$47	\$47
Fiscal 2025-2026 Percent Change	3.7%	3.7%

Where It Goes:	<u>Change</u>
Personnel Expenses	
Salary increases and associated fringe benefits, including fiscal 2025 COLA and increments	\$116
Miscellaneous adjustments	40
Employee and retiree health insurance	-77
Other Changes	
Other contractual services.....	5
Rent.....	-10
State cost allocations.....	-26
Total	\$47

COLA: cost-of-living adjustment

Note: Numbers may not sum to total due to rounding. The fiscal 2025 impacts of statewide salary adjustments are centrally budgeted in the Department of Budget and Management (DBM), and adjustments are not reflected in this agency’s budget. The fiscal 2026 impacts of the fiscal 2025 statewide salary adjustments appear in this agency’s budget. The fiscal 2026 statewide salary adjustments are centrally budgeted in DBM and are not included in this agency’s budget.

Personnel Data

	<u>FY 24</u> <u>Actual</u>	<u>FY 25</u> <u>Working</u>	<u>FY 26</u> <u>Allowance</u>	<u>FY 25-26</u> <u>Change</u>
Regular Positions	8.00	8.00	8.00	0.00
Contractual FTEs	<u>0.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Total Personnel	8.00	10.00	10.00	0.00

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/24	1.00	12.50%
Vacancies Above Turnover	1.00	

- As of December 31, 2024, PTAAB reported 1 vacant administrative position that occurred when the previous employee left in November 2024.

Key Observations

1. Managing for Results Data Not Submitted with Budget

PTAAB did not submit updated Managing for Results (MFR) performance data with the fiscal 2026 allowance. The agency cited the departure of staff as the reason for not providing updated data, which corresponds with the period in early fiscal 2025 when the PTAAB administrator position was vacant. PTAAB indicated that it has begun updating MFR data, but it is not available as of the writing of this analysis. On October 31, 2024, the Governor announced the appointment of an acting administrator. The following MFR data was provided with the fiscal 2025 budget and provides actual results through calendar 2022 only. **The Department of Legislative Services recommends adopting committee narrative requesting that PTAAB provide its fiscal 2026 MFR submission with actual calendar 2023 data and calendar 2024 and 2025 estimates by July 15, 2025.**

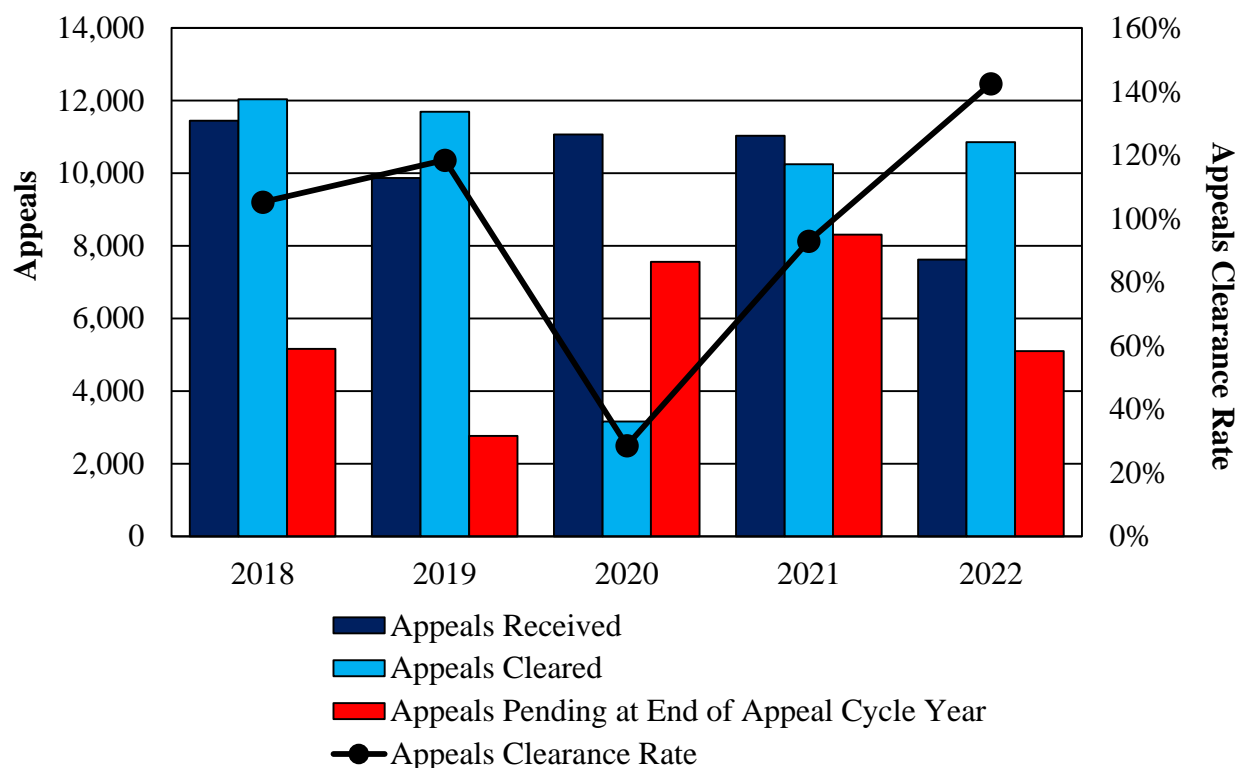
PTAAB aims to conduct appeals in a timely and efficient manner. **Exhibit 3** shows the agency's appeals caseload between calendar 2018 and 2022. The total number of appeals received by PTAAB was relatively consistent from calendar 2018 to 2021, averaging 10,852 cases per year, until the caseload decreased to 7,618 in calendar 2022. During this period with reduced incoming appeals, PTAAB cleared 3,236 more cases than it received in calendar 2022, for a clearance rate of 142%. As a result, the board was able to address part of the backlog of appeals pending at the

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end of the previous year. The backlog decreased in calendar 2022 by 3,206 cases, a 38.6% reduction from calendar 2021. PTAAB attributed this trend to two factors:

- impacts of the COVID-19 pandemic ending and the return to in-person operations; and
- the implementation of a new policy that only grants one postponement with just cause and a second postponement at the discretion of the board.

Exhibit 3
PTAAB Appeals Caseloads
Calendar 2018-2022



PTAAB: Property Tax Assessment Appeals Board

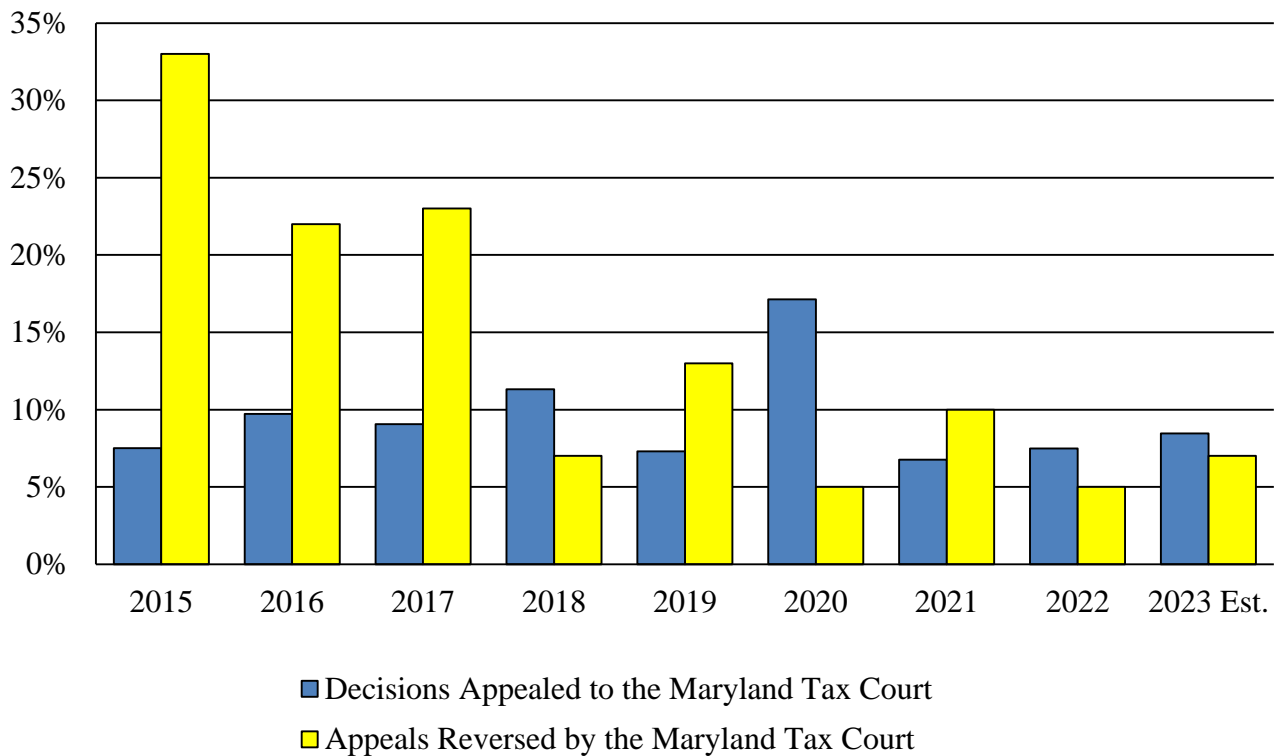
Source: Department of Budget and Management; Property Tax Assessment Appeals Board

PTAAB’s second primary goal is to ensure that its decisions are accurate and fair, with less than 10% of decisions appealed to MTC. As shown in **Exhibit 4**, PTAAB has met this goal in most years since calendar 2015. The percentage of decisions appealed to MTC is relatively

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consistent over the period shown, in the range of 7% to 11%, except for an increase to 17% in calendar 2020. An additional goal of PTAAB is to reduce the number of MTC reversals, as a reversal may indicate an oversight by PTAAB in fairness or accuracy. After decreasing from highs of over 20% of appeals reversed in calendar 2015 through 2017, MTC reversals have generally been less than or equal to 10% since calendar 2018, except for calendar 2019 when the reversal rate was 13%. The reversal rate in calendar 2022 was 5% and is estimated to be 7% in calendar 2023. The overall downward trend in the percentage and number of reversals suggests that PTAAB decisions have been increasingly accurate and fair, as determined by MTC. PTAAB attributed this trend to its new hire training and periodic training as needed for board members. **PTAAB should comment on when it instituted changes to training for new board members and ongoing training for other board members.**

Exhibit 4
Maryland Tax Court Appeals and Reversals
Calendar 2015-2023 Estimated



Source: Department of Budget and Management; Property Tax Assessment Appeals Board

Operating Budget Recommended Actions

1. Adopt the following narrative:

Managing for Results (MFR) Performance Data Submission: Due to staff turnover, the Property Tax Assessment Appeals Board (PTAAB) did not submit updated MFR data with the fiscal 2026 budget. The committees request that by July 15, 2025, PTAAB submit its updated fiscal 2026 MFR data submission, including actual data for calendar 2023 and projections for calendar 2024 and 2025.

Information Request	Author	Due Date
MFR performance data submission	PTAAB	July 15, 2025

**Appendix 1
Object/Fund Difference Report
Property Tax Assessment Appeals Board**

<u>Object/Fund</u>	<u>FY 24 Actual</u>	<u>FY 25 Working Appropriation</u>	<u>FY 26 Allowance</u>	<u>FY 25 - FY 26 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	8.00	8.00	8.00	0.00	0%
02 Contractual	0.00	2.00	2.00	0.00	0%
Total Positions	8.00	10.00	10.00	0.00	0%
Objects					
01 Salaries and Wages	\$ 923,209	\$ 966,996	\$ 1,045,563	\$ 78,567	8.1%
02 Technical and Special Fees	323	75,843	75,843	0	0%
03 Communication	23,652	21,373	21,373	0	0%
04 Travel	7,934	15,711	15,711	0	0%
06 Fuel and Utilities	1,174	1,200	1,200	0	0%
07 Motor Vehicles	32,418	11,000	11,000	0	0%
08 Contractual Services	55,103	81,831	60,723	-21,108	-25.8%
09 Supplies and Materials	5,415	5,000	5,000	0	0%
13 Fixed Charges	91,287	88,176	78,189	-9,987	-11.3%
Total Objects	\$ 1,140,515	\$ 1,267,130	\$ 1,314,602	\$ 47,472	3.7%
Funds					
01 General Fund	\$ 1,140,515	\$ 1,267,130	\$ 1,314,602	\$ 47,472	3.7%
Total Funds	\$ 1,140,515	\$ 1,267,130	\$ 1,314,602	\$ 47,472	3.7%

Note: The fiscal 2026 allowance does not include statewide salary adjustments budgeted within the Department of Budget and Management.