



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

**DATE:** February 27, 2020

**BILL NUMBER:** HB 1252

**COMMITTEE:** Ways and Means

**BILL TITLE:** Property Tax – Appeals of Assessments – Commercial Real Property

**SDAT POSITION:** Letter of Concern

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The State Department of Assessments and Taxation (SDAT) offers the following information for House Bill 1252, a bill that would extend the period of time for a county to submit a written appeal to the Supervisor of Assessments regarding a commercial real property assessment from 45 days to 180 days from the date of a proposed assessment notice. In addition, it would extend the period of time for a county to submit a written appeal to the property tax assessment appeal board (PTAAB) from 30 days to 180 days from the date of a final assessment notice.

Current law generally allows any taxpayer, county, municipality, or the Attorney General to submit a written appeal to the Supervisor of Assessments within 45 days from the date of a proposed notice of assessment. A taxpayer, county, municipality, or the Attorney General may appeal a final notice of assessment to the PTAAB within 30 days of the notice.

SDAT contacted and met with the primary sponsor of HB 1252 for clarity regarding the issues the legislation intends to resolve, as well as to express the Department's concerns about the expanded appeal timeframes.

Extending the period of time for a county to submit a written appeal in a commercial case from 30 or 45 days to 180 days is a substantial increase, more than doubling the general standard of 90 days to submit written appeals to many State agencies. According to the Office of Administrative Hearings, State agencies allow appellants 15 to 90 days to file an appeal. In addition, because of the greatly expanded appeal time allotted to the counties, appeals initiated by actual property owners (under far shorter deadlines) could conceivably be heard and finalized by the Supervisor or PTAAB before the counties' deadlines even expire. The proposed legislation will result in public relations problems for SDAT and, more importantly, raises issues of fairness for commercial property owners.

*Office of the Director*

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**DEPARTMENT OF  
ASSESSMENTS AND TAXATION**

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SDAT is wary of the implications and unintended consequences that House Bill 1252 will have. In 2019, House Bill 1088 was introduced and would have allowed *all* appeals to be made within 180 days of the date of a notice. It was known at that time that opening the appeal window so widely would force the Department to participate in appeal hearings far later into a given calendar year, significantly compromising its time and ability to value properties by October for the next general reassessment cycle. This could have caused unknown delays in revenue to the State, counties, and municipalities.

SDAT appreciates the shared concern from the primary sponsor that a 180-day extension for all appeals would be problematic and understands that the intent of HB 1252.

If the proposed legislation were enacted, SDAT would require further clarification as to what constitutes a "Commercial" property. The bill would also require significant updates to the Department's appeals system, which could take months to implement. Because of the extra time frame, appeals by the counties will presumably increase. Additional staff will be needed to attend scheduled hearings with the counties, which due to the differing time track, will be held separately from the property owner's hearings. Finally, the Department will be obligated to inform commercial property owners that the counties have 180 days to file appeals of their assessments.

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