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**IN OPPOSITION OF**  
**HOUSE BILL 896 &**  
**SENATE BILL 885**

Budget and Taxation Committee  
Maryland Senate  
West Miller Senate Building, Room 3  
Annapolis, Maryland 21401

**RE: House Bill 896 & Senate Bill 885 – Requiring certain filing fees when filing an appeal of a property tax assessment or classification of commercial or industrial property with an assessed value greater than \$1,000,000.**

Dear Members of the Committee:

I respectfully submit this summary letter in conjunction with my testimony on March 30, 2023 in opposition to House Bill 896 & Senate Bill 885.

**PROFESSIONAL BACKGROUND AND QUALIFICATIONS**

- Past Chair of the Tax Section of the Maryland State Bar Association (Chair 2006-2007)
- Author of the Maryland Chapter of the American Bar Association's (ABA), The Property Tax Deskbook, for all 27 editions (1996-2022)
- Author of the Real Property Tax Chapter of Maryland Taxes, Maryland Institute for Continuing Legal Education (MICPEL/MSBA)
- Sole Maryland Member of National Association of Property Tax Attorney's (NAPTA)
- Attorney concentrating his firm's practice (for over 30 years) to representing Maryland Commercial and Residential property taxpayers before SDAT, Property Tax Assessment Appeals Boards and the Maryland Tax Court; Representations range from large malls, office buildings, factories, R&D facilities, apartments etc. to single family residences; Representative Property Assessed Values range from \$50,000 to \$500,000,000
- Resident of Baltimore County

**ARGUMENTS IN OPPOSITION TO HOUSE BILL 896 & SENATE BILL 885**

I cannot emphasize my opposition to House Bill 896 & Senate Bill 885 more strongly than this: **Passage of this Bill and requiring a \$50 or \$100 filing fee will reverse Maryland's longstanding position of not discouraging Taxpayers to challenge their assessments by placing a barrier on the legal right of Taxpayers' to challenge their assessed values; Passage of this bill will arbitrarily discriminate against a certain class of Taxpayers/Property Owners while not imposing the same burden on all Taxpayers/Property Owners.** By imposing a fee on the right to appeal to the Property Tax Assessment Appeals Board (PTAAB) and the Maryland Tax Court the Bill's consequences will be to discourage Taxpayers from appealing their property assessments. A Taxpayer should not have to pay a fee to exercise a legal right. The General Assembly should enact laws that protects and enhances Taxpayers' Legal Rights and not enact laws that places limitations and burdens on those Legal Rights. The assessment system in Maryland has long taken the position to protect the Taxpayers' appeal rights and goes to great lengths to makes sure a Taxpayer's appeal rights are not limited. This starts at the State Department com of Assessments and Taxation (SDAT) and continues at the PTAABs and the Maryland Tax Court. **Further, the bill arbitrarily discriminates against commercial/industrial property owners with values over \$1,000,000. First, there is really no difference in a \$900,000 commercial/industrial property (not subject to the fee) and a \$1,050,000 one (subject to the fee). Moreover, imposing the fee on only commercial/industrial is discriminatory and arbitrary at the expense of commercial/industrial property owners assessed over \$1,000,0000 to the benefit of residential property owners and commercial/industrial property owners valued at or less than \$1,000,000.**

**In order to support my position above, I respectfully submit the following summary arguments in opposition to House Bill 896 Senate Bill 885:**

- **Constitutional Problem:** Article 15 of the Declaration of Rights of the Constitution of Maryland provides "that the General Assembly shall, by **uniform rules**, provide for the separate assessment, classification and sub-classification of land, improvements on land and personal property." (Emphasis added). Commercial and Industrial Property is not a separate classification of property from "Residential Property." Commercial/Industrial property should not and cannot be taxed, assessed or **charged a filing fee** under different laws than residential properties. Doing so provides preferential treatment to residential properties and is not uniform.

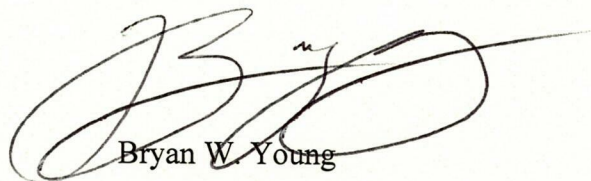
-**SDAT is Understaffed and Underfunded Resulting in the Necessity to Appeal to the PTAABS** – Because SDAT is understaffed and underfunded assessors do not have the necessary resources and time to adequately consider appeals at the Supervisor of Assessment Level. This results in good appeals being affirmed or insufficiently adjusted. Appeals to the PTAAB is then necessary. Commercial/Property Taxpayers with properties exceeding \$1,000,000 should not have their Appeals Right to the PTAAB limited and predicated on paying a \$50 fee. The Right to Appeal to the PTAAB is absolute and should not be conditioned on paying a \$50 fee.

**-The Maryland Tax Court Has Never Imposed a Filing Fee and Makes a Conscious Effort to Ensure Taxpayers Have Access to Appeal Their Assessments** – The Tax Court has never imposed a filing fee and has made a deliberate effort to not do so. The Tax Court has historically believed the ability of a Taxpayer to appeal their assessment should be easily accessible and not hindered. The Court has always made the initiating of an assessment appeal an open and Taxpayer friendly process. Imposing a \$100 filing fee goes against all the above. Further, the Tax Court did not initiate House Bill 896 & Senate Bill 885. Moreover, if this Bill passes on Real Property Tax Appeals would have a fee imposed while all other Tax Court Appeals would not have a fee. These include Personal Property Tax Appeals, Sales Tax Appeals, Income Tax Appeals, Transfer/Recordation Appeals etc. This is inconsistent and discriminatory.

**-Many Commercial/Industrial Properties are made up of Multiple Parcels/Tax Accounts Resulting in Multiple \$50 and \$100 Filing Fees for a Single Commercial/Industrial Complex** – Not all properties are made up of one tax account/parcel. For example, many apartment complexes, shopping centers and office complexes are made up of multiple accounts. To this point I represent an apartment complex in Baltimore City that is made up one 7 tax accounts/parcels that when the assessment is appealed all 7 tax accounts/parcels are appealed as one. Under this bill the Taxpayer would be required to pay a \$350 Fee for a PTAAB Appeal or \$700 for a Tax Court Appeal. This is onerous and an impairment to the Taxpayer's right to contest the assessment.

For the reasons outlined above, I respectfully oppose the passage of House Bill 896 & Senate Bill 885. I want to thank the Committee for their consideration.

Very truly yours,



Bryan W. Young

BWY/dd