



House Bill 896

Property Tax Appeals - Commercial and Industrial Property - Fees

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 30, 2023

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 896. This bill applies reasonable fees for commercial and industrial property tax appeals under specified circumstances. This bill makes meaningful progress toward eliminating a means of tax evasion that benefits commercial and industrial property owners at the expense of other property owners and taxpayers.

Under current law, the Maryland State Department of Assessments and Taxation sets the value of each parcel of real property every three years through an assessment process. Unlike commercial and industrial property owners, county governments cannot file “out-of-cycle” appeals – which are appeals in the two years in which a property is not reassessed.

The bill requires owners of substantial commercial or industrial properties to have “skin in the game” when appealing property tax assessments. This could help reduce the barrage of frivolous assessment appeals. Baseless appeals waste valuable time and resources and jeopardize limited local funds for schools, housing, public safety, public health, and other essential services.

Under the bill, a \$50 fee must accompany property tax appeals to Maryland Property Tax Assessment Appeals Boards for commercial or industrial properties with an assessed value greater than \$1 million. In addition, a \$100 fee must accompany property tax appeals to the Maryland Tax Court for commercial or industrial properties with an assessed value of at least \$1 million.

By requiring reasonable fees for substantial commercial or industrial property tax appeals, HB 896 ensures a more equitable system for all taxpayers. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 896.