

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

January 16, 2024

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Oppose: SB 279 – Commercial Property Assessment Appeal Fee

Dear Chair, Guzzone and Committee Members:

NAIOP represents 22,000 commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets. NAIOP members deliver office, mixed use, multi-family, and warehouse developments that meet the changing ways that people work, live, shop and play. On behalf of our member companies, I am writing in opposition to SB 279 which would establish a fee on commercial property tax appeals.

This bill arrives at a time when there is deep dissatisfaction with the SDAT assessment and appeals process. Despite requiring that property owners provide annual income and expense information, property assessments are frequently wrong but presumed to be correct during the appeals process. This leaves the Tax Court to provide a much-needed backstop for taxpayers.

Imposing a filing fee to access the Maryland Tax Court would breach a long-standing policy of the Court that taxpayers should not have to pay a fee to access their right of judicial review. In fact, the Tax Court does not charge a filing fee for the appeal of other matters that it handles such as sales and use tax, income tax, estate tax or admissions and amusement taxes.

In written testimony on a prior year bill, proponents argued the fee could help reduce, “frivolous assessment appeals.” This point of view misunderstands the process and the practical difficulties it presents taxpayers. Fees should never be imposed to limit access or discourage appeals.

Thank you for consideration of our point of view.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.