



Senate Bill 279

Property Tax Assessment – Appeals to Maryland Tax Court – Filing Fee

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: January 17, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 279. By applying a reasonable fee for property tax appeals on substantial income-producing properties, 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 residents.

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 assessment appeal process typically begins with an appeal of the notice of assessment. If a taxpayer is unsatisfied with the outcome, they may appeal to the appropriate Property Tax Assessment Appeals Board. A further appeal may be taken to the Maryland Tax Court, the final administrative entity for appeals to property tax assessments.

The bill requires owners of substantial commercial or industrial properties to have “skin in the game” by imposing a \$100 fee for assessment appeals on income-generating properties valued over \$5 million. This could help reduce the barrage of frivolous assessment appeals, which waste valuable time and resources and jeopardize limited local funds for schools, housing, public safety, public health, and other essential services.

By requiring reasonable fees for substantial commercial or industrial property tax appeals, SB 279 ensures a more equitable system for all taxpayers. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 279.