

# E80E Property Tax Assessment Appeals Board

## Program Description

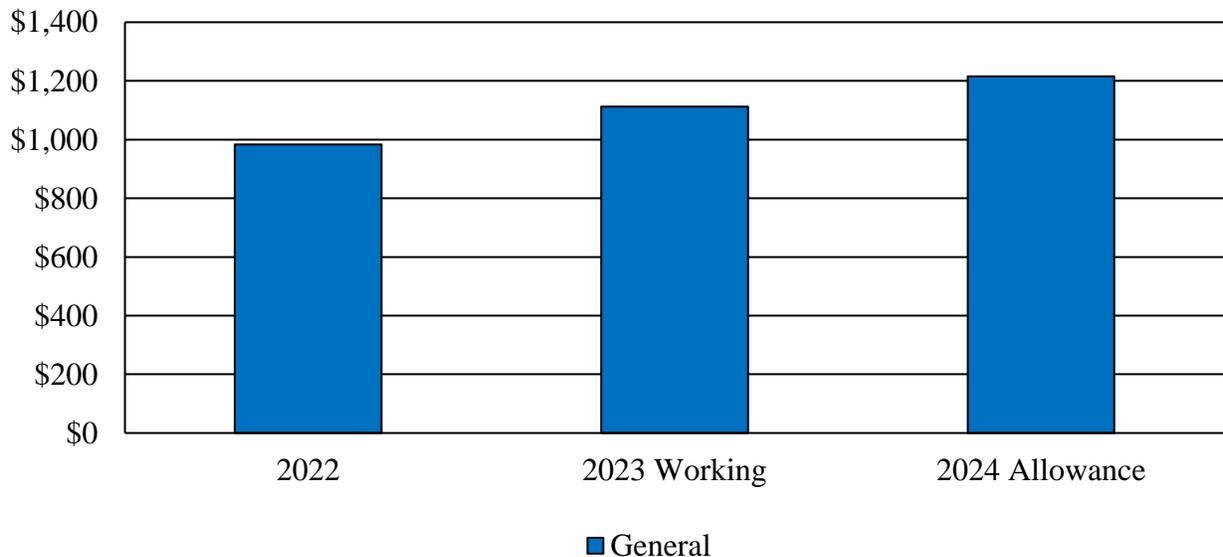
The Property Tax Assessment Appeals Board (PTAAB) is an independent agency that hears appeals related to the assessment of property in the State. There are 24 boards – 1 in each county and Baltimore City – all of which are supported by a central office and executive director. Each board has four to six members (three members and one to three alternatives) who are appointed by the Governor for five-year terms. The first level of assessment appeals is conducted by the State Department of Assessments and Taxation (SDAT), which also makes the initial property tax assessments. PTAAB hears appeals from SDAT decisions; PTAAB decisions can then be appealed to the Maryland Tax Court (MTC). Further appeals may be made through the judicial system at the circuit court level. PTAAB has the following goals:

- to conduct appeals in a timely and efficient manner; and
- to render fair and accurate decisions.

## *Operating Budget Summary*

---

### Fiscal 2024 Budget Increases \$102,822, or 9.2%, to \$1.2 Million (\$ in Thousands)



Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

Source: Department of Budget and Management

---

For further information contact: Ryan Green

Ryan.Green@mlis.state.md.us

## Fiscal 2023

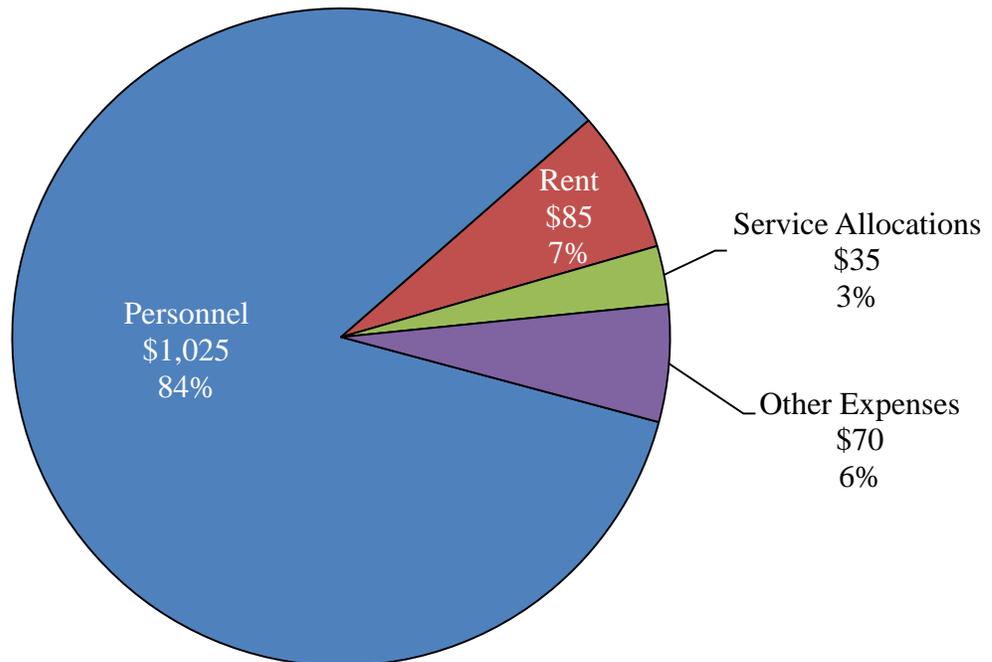
### Proposed Deficiency

The fiscal 2024 budget includes one proposed deficiency appropriation for PTAAB to provide \$35,480 in general funds in fiscal 2023 for 2 contractual full-time equivalents (FTE) to help manage the case backlog.

## Fiscal 2024 Overview of Agency Spending

As shown in **Exhibit 1**, 84% (approximately \$1.0 million) of PTAAB’s \$1.2 million fiscal 2024 allowance is allocated for personnel. Rent accounts for another 7% of PTAAB’s budget, totaling approximately \$85,000.

**Exhibit 1**  
**Overview of Agency Spending**  
**Fiscal 2024 Allowance**  
**(\$ in Thousands)**



Note: Numbers may not sum to total due to rounding. The fiscal 2024 salary enhancements are budgeted in the Statewide Account within the Department of Budget and Management.

Source: Department of Budget and Management

**Proposed Budget Change**

As shown in **Exhibit 2**, PTAAB’s fiscal 2024 allowance increases by approximately \$103,000 compared to the fiscal 2023 working appropriation after accounting for deficiency appropriations, including PTAAB’s share of a statewide deficiency appropriation for the 4.5% cost-of-living adjustment provided in November 2022. The increase is driven primarily by health insurance costs rising by \$37,000 and the contractual turnover expectancy being reduced to \$0.

**Exhibit 2  
Proposed Budget  
Property Tax Assessment Appeals Board  
(\$ in Thousands)**

<b>How Much It Grows:</b>	<b><u>General Fund</u></b>	<b><u>Total</u></b>
Fiscal 2022 Actual	\$983	\$983
Fiscal 2023 Working Appropriation	1,112	1,112
Fiscal 2024 Allowance	<u>1,215</u>	<u>1,215</u>
Fiscal 2023-2024 Amount Change	\$103	\$103
Fiscal 2023-2024 Percent Change	9.2%	9.2%

<b>Where It Goes:</b>	<b><u>Change</u></b>
<b>Personnel Expenses</b>	
Employee and retiree health insurance premiums .....	\$37
Accrued leave payout.....	15
Annualization of November 2022 4.5% cost-of-living adjustment .....	8
Employees’ Retirement System .....	2
Regular earnings .....	2
Social Security contributions .....	-1
Other fringe benefit costs .....	3
<b>Other Changes</b>	
Contractual turnover expectancy .....	35
Office rent .....	8
Printing.....	2
Office supplies .....	1
Shared Services Human Resources.....	1
Purchase lease .....	-14

*E80E – Property Tax Assessment Appeals Board*

<b>Where It Goes:</b>	<b><u>Change</u></b>
Other .....	5
<b>Total</b>	<b>\$103</b>

Note: The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). The fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

---

***Personnel Data***

	<b><u>FY 22</u></b>	<b><u>FY 23</u></b>	<b><u>FY 24</u></b>	<b><u>FY 23-24</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>
Regular Positions	8.00	8.00	8.00	0.00
Contractual FTEs	<u>0.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>8.00</b>	<b>10.00</b>	<b>10.00</b>	<b>0.00</b>

***Vacancy Data: Regular***

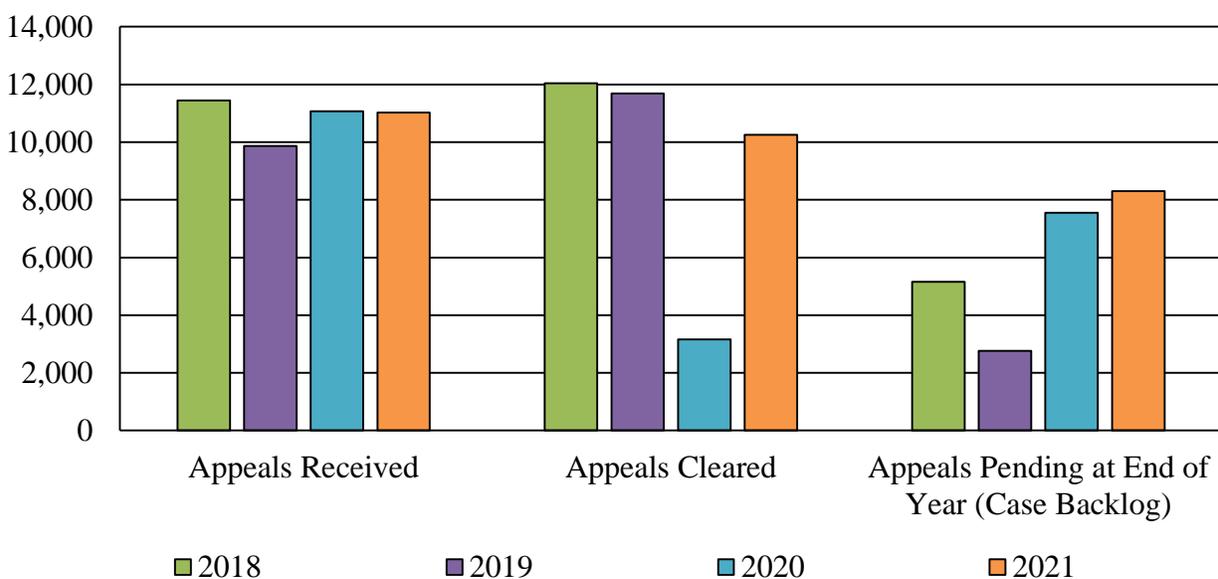
Turnover and Necessary Vacancies, Excluding New Positions	0.00	0.00%
Positions and Percentage Vacant as of 12/31/22	1.00	12.50%
Vacancies Above Turnover	1	

## Key Observations

### 1. Case Backlog Remains High

PTAAB aims to conduct appeals in a timely, efficient manner. **Exhibit 3** identifies the agency appeals caseload between calendar 2018 and 2021. The total number of appeals received by PTAAB has been relatively consistent in the observed period, averaging 10,852 cases per year. In calendar 2021, PTAAB successfully cleared 10,248 of 11,028 cases (93.3%). However, because PTAAB did not clear all cases received, the backlog continues to increase. The total backlog of cases increased from 7,555 in calendar 2020 to 8,305 in calendar 2021, a 9.9% increase.

**Exhibit 3**  
**PTAAB Appeals Caseloads**  
**Calendar 2018-2021**



PTAAB: Property Tax Assessment Appeals Board  
Source: Department of Budget and Management

Several factors led to the increase in the case backlog in calendar 2020, including COVID-19 pandemic-related closures and difficulties meeting due to pandemic-related health concerns. As PTAAB operates in every county and Baltimore City, the individual pandemic restrictions that the agency had to follow to hold hearings differed widely. Due to the nature of the pandemic, these difficulties continued into calendar 2021 and 2022. Additionally, PTAAB has struggled to clear cases as SDAT has had difficulties with maintaining and hiring assessors.

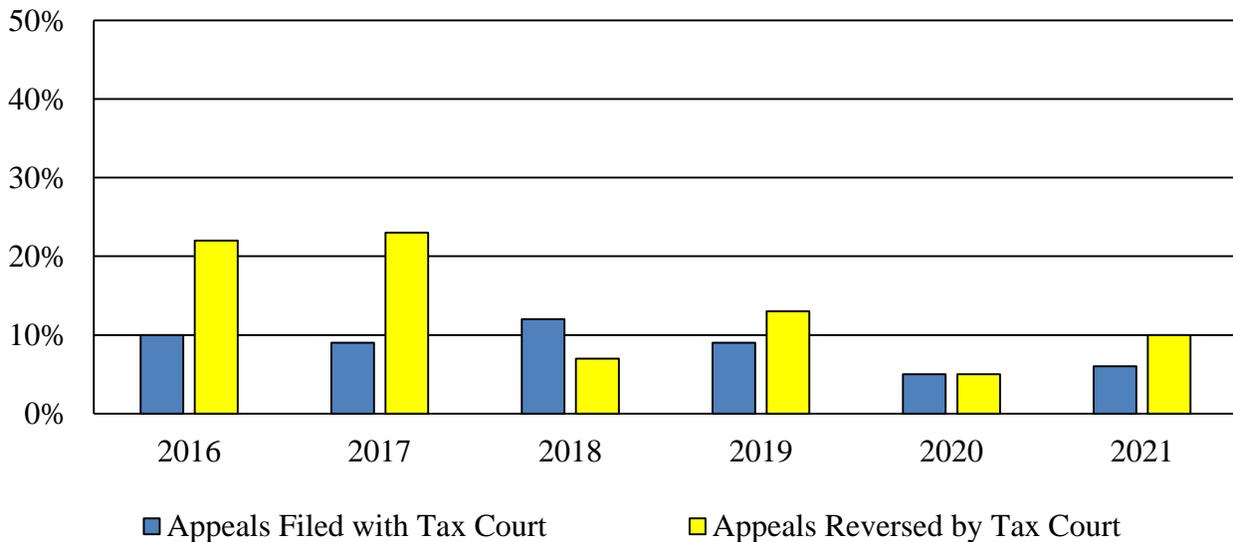
Because assessors are necessary to be at hearings, their lack of availability has impacted PTAAB’s ability to work through its backlog. In a follow-up response to language in the fiscal 2023 Budget Bill, PTAAB explained that the agency was able to establish a working solution to the issue, as SDAT brought in a retired supervisor to help review cases. This solution was implemented after a four-month moratorium on commercial hearings agreed to by both agencies. In addition, as discussed earlier, a proposed fiscal 2023 deficiency appropriation would provide 2 contractual FTEs to assist PTAAB in resolving the backlog. **PTAAB should comment on the degree to which the agreement with SDAT has assisted the agency in addressing the backlog, how the new contractual FTEs will assist in resolving the backlog, and when it foresees its backlog returning to prepandemic levels.**

## 2. Reversals by the Tax Court Increase in Calendar 2021

PTAAB’s second primary goal is to ensure that its decisions are accurate and fair, with less than 10% of decisions appealed to MTC. As shown in **Exhibit 4**, PTAAB met this goal in calendar 2021, with only 6% of cases appealed, nearly level with calendar 2020 when only 5% of cases were appealed. As an extension of PTAAB’s goal to be accurate, they aim to limit the number of decisions that are reversed by MTC. In calendar 2021, 10% of their decisions were reversed by MTC, double the rate in calendar 2020. That figure, however, is still lower than the average reversal rate for the preceding five-year period, which was 14%.

---

**Exhibit 4**  
**Reversals by the Tax Court**  
**Calendar 2016-2021**



Source: Department of Budget and Management

---

## ***Operating Budget Recommended Actions***

---

1. Concur with Governor’s allowance.

**Appendix 1**  
**2022 Joint Chairmen’s Report Responses from Agency**

The 2022 *Joint Chairmen’s Report* (JCR) requested that PTAAB prepare one report. Electronic copies of the full JCR responses can be found on the Department of Legislative Services Library website.

- ***Report on PTAAB’s Prince George’s County Backlog:*** Language in the fiscal 2023 Budget Bill restricted \$50,000 in general funds until a report was submitted on the backlog. PTAAB submitted the report on July 28, 2022. The funds were released on October 4, 2022. Further discussion of this report can be found in Key Observation 1 of this analysis.

**Appendix 2  
Object/Fund Difference Report  
Property Tax Assessment Appeals Board**

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	8.00	8.00	8.00	0.00	0%
02 Contractual	0.00	0.00	2.00	2.00	n/a
<b>Total Positions</b>	<b>8.00</b>	<b>8.00</b>	<b>10.00</b>	<b>2.00</b>	<b>25.0%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 816,235	\$ 873,695	\$ 954,052	\$ 80,357	9.2%
02 Technical and Spec. Fees	195	250	71,210	70,960	28384.0%
03 Communication	19,032	20,233	21,373	1,140	5.6%
04 Travel	11,171	12,545	13,215	670	5.3%
06 Fuel and Utilities	1,126	920	1,200	280	30.4%
07 Motor Vehicles	8,107	23,431	9,560	-13,871	-59.2%
08 Contractual Services	46,704	47,781	52,593	4,812	10.1%
09 Supplies and Materials	4,036	2,607	3,670	1,063	40.8%
13 Fixed Charges	76,876	79,597	88,176	8,579	10.8%
<b>Total Objects</b>	<b>\$ 983,482</b>	<b>\$ 1,061,059</b>	<b>\$ 1,215,049</b>	<b>\$ 153,990</b>	<b>14.5%</b>
<b>Funds</b>					
01 General Fund	\$ 983,482	\$ 1,061,059	\$ 1,215,049	\$ 153,990	14.5%
<b>Total Funds</b>	<b>\$ 983,482</b>	<b>\$ 1,061,059</b>	<b>\$ 1,215,049</b>	<b>\$ 153,990</b>	<b>14.5%</b>

Note: The fiscal 2023 appropriation does not include deficiencies. The fiscal 2024 allowance does not include deficiencies or salary adjustments budgeted within the Department of Budget and Management.