



House Bill 1363

Property Tax – Appeals – Provision of Information to Taxpayers

MACo Position: **SUPPORT**
WITH AMENDMENTS

Date: March 31, 2016

To: Budget and Taxation Committee

From: Andrea E. Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1363 **WITH AMENDMENTS**. This bill would require the State Department of Assessments and Taxation to provide specific timely information to a homeowner appealing a property assessment. However, if the Department failed to meet the bill's timetables, the homeowner would effectively win the appeal and be awarded an assessment freeze.

MACo supports a fair process to fully inform property owners, but objects to the "penalty" that would create a distorted and depleted tax base, placing the consequences on the local government for agency misdeeds. While clearly intended to encourage compliance, the bill's enforcement measure harms local governments, and their other taxpayers.

As the Department that performs the assessment function, the Department is the holder of all pertinent assessment information and the local supervisor of assessments serves as the adjudicator for the first level of appeal. As such, the bill correctly requires the Department to provide specific assessment information to property owners.

Counties do not have access to the assessment worksheet or card for each property; or the sales analysis for the neighborhood or property type. The counties have no ability to ensure that this new law is followed. Yet, should the Department fail to provide this information, it is the county's assessable base that is negatively affected, as the bill mandates an assessment freeze that may not reasonably represent the property's true value. The department that failed to provide the information does not suffer the primary consequence. This language unfairly penalizes counties, who have no role in providing information for a property assessment appeal. The distorted assessment would also be unfair to other taxpayers.

MACo fully supports the disclosure of assessment information to property owners who appeal their property assessments and believes this bill establishes a much clearer process for the receipt of this information. However, MACo would respectfully request that the “assessment freeze” as the consequence for the Department’s failure be deleted from the bill. This language can be found on page two, lines 28 – 32, and on page 4, lines 1 – 5.

Should the Committee desire a form of structured accountability for these laws, an alternative approach could be to require a report to the fiscal committees on the timely issuance of the property assessment information specified in the bill. Such a report could identify any weaknesses in the Department’s ability to fulfill the new laws and timelines. Should the committee find that the information is not being provided suitably, appropriate agency action could be taken through the budget or subsequent legislation, without eroding local tax bases.

For these reasons, MACo urges the Committee to vote HB 1363 **FAVORABLE WITH AMENDMENTS.**