



House Bill 1402

Property Tax Appeals – Payment of Refunds – Deadline

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: April 5, 2017

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1402, as amended. This bill requires counties to pay refunds resulting from property tax assessment appeals within 30 days of receiving notice from the State Department of Assessments and Taxation (SDAT) of the issuance of the decision.

MACo appreciates this effort to establish a reliable timeframe for taxpayers to receive their refunds duly owed. Counties are willing to commit to paying these refunds within a reasonable timeframe – especially since they are already subject to significant interest payments if they neglect to do so. To that end, MACo worked with the bill sponsor and House Ways and Means Committee to amend the bill as originally drafted to ensure that counties are fully able to comply with its provisions.

Begin Tolling Upon Tax Collector’s Receipt of Notice From SDAT

The bill, as originally drafted, required that the tax collector pay any refunds owed within 21 days after the date of the appeal authority’s decision. The House amended the bill so that the specified number of days starts when the tax collector receives notice of the decision from SDAT. Prior to issuing a refund, the county must first receive notification of the decision of appeal from SDAT, then coordinate with the taxpayer to pay the amount of property tax due. Local finance offices cannot begin this process until they receive SDAT’s clear notice that a refund is owed. For this reason, MACo appreciates amendments made to the bill to begin tolling the timeframe upon the county’s receipt of notice.

Provide 30 Days to Issue Refunds

MACo also appreciates the amendments which change the applicable timeframe from 21 to 30 days. Counties believe that 30 days is a reasonable timeframe to verify the amounts owed with the applicable parties, where necessary, and subsequently issue these payments.

Accordingly, MACo would urge the Committee to give HB 1402, as amended, a **FAVORABLE** report.