



House Bill 1402

Property Tax Appeals – Payment of Refunds – Deadline

MACo Position: **SUPPORT**

To: Ways and Means Committee

WITH AMENDMENTS

Date: March 9, 2017

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1402 **WITH AMENDMENTS**. This bill requires counties and other tax collectors to pay refunds resulting from property tax assessment appeals within 21 days of the issuance of the decision.

MACo appreciates and supports this effort to establish a reliable timeframe for taxpayers to receive their refunds duly owed. Upon receiving a decision in their favor, taxpayers should not have to wait an unreasonable or unpredictable amount of time to have their overpayments refunded. Counties are more than willing to commit to paying these refunds within a reasonable timeframe. To that end, MACo respectfully requests two amendments to ensure that counties are fully able to comply with the terms of the bill.

Begin Tolling Upon Tax Collector's Receipt of Notice From Appeal Authority

The bill currently requires that the tax collector pay refunds, when owed, within a requisite number of days after the date of the appeal authority's decision. MACo respectfully requests that the Committee amend the bill so that the specified number of days starts when the tax collector receives notice of the decision from the appeal authority.

A number of different government sectors participate in the appeal and refund process: the appeal authority, which may be the State Department of Assessments and Taxation (SDAT), a Property Tax Assessment Appeal Board, or the judiciary; the local government property tax collector; and the State, in its role as the state property tax collector. Prior to issuing a refund, the local government must first receive notification of the decision from the appeal authority, then coordinate with the taxpayer and State to verify the amount of state and local property tax due. Local finance offices cannot begin this verification process until they receive the initial notification of the refund owed from the appeal authority. For this reason, MACo respectfully requests that the timeframe begin to toll upon receipt of the decision notice.

Provide 30 Days to Issue Refunds

MACo respectfully requests that the Committee consider amending the applicable timeframe from

21 days to 30 days. This would provide counties with a reasonable buffer of an additional week to accommodate for minor delays that can occasionally result from unavoidable occurrences like inclement weather closings, vacations, holidays, understaffing, technology malfunctions, etc. Counties believe that 30 days is a reasonable timeframe to verify the amounts owed with the applicable parties and subsequently issue these payments.

Accordingly, MACo would urge the Committee to give HB 1402 a report of **FAVORABLE WITH AMENDMENTS**.