

CAPITOL ♦ TITLE

Goldstein & Levy, P. A.
General Counsel

January 23, 2009

MD LEGAL BULLETIN

TAX ASSESSMENT APPEAL PROCESS

In light of recent changes in market conditions many property owners believe that the assessed value of their property established by the State Department of Assessments and Taxation (“SDAT”) for imposition of real property taxes is too high. All property owners have the right to appeal the valuation when they believe that their property is not valued at its current market value. The appeal may be filed on three occasions:

1. upon **receipt of an assessment** notice from SDAT;
2. by filing a **petition for review**; and
3. upon **transfer of a property** between January 1 and June 30.

Appeal on Receipt of Notice of Assessment

Property owners will normally receive a Notice of Assessment every three years that shows the old market value as well as the new market value. The new value is intended to reflect the changes in market conditions affecting the property from the time of the last assessment. If a property owner decides to appeal upon receipt of the Notice the first step is to reply by signing and returning the appeal form included with the Notice within 45 days of the date of the Notice. Upon receipt of the appeal form SDAT will schedule a personal or telephone hearing. In the alternative, information supporting the petition can be submitted in writing, eliminating the need for a hearing.

Petition for Review

If a property owner believes that events have occurred since the last regular assessment that have caused the property value to decline or if the property owner failed to respond to the Notice of Assessment within the 45 day appeal period, the taxpayer may file a petition for review by January 1 of any year. Upon receipt of the petition form SDAT will schedule a personal or telephone hearing. In the alternative, information supporting the petition can be submitted in writing, eliminating the need for a hearing.

Appeal Upon Transfer

If a property is transferred after January 1 but prior to July 1, the purchaser of the property may file an appeal within 60 days of the transfer. Upon receipt of the petition form SDAT will schedule a personal or telephone hearing. In the alternative, information supporting the petition can be submitted in writing, eliminating the need for a hearing.

continued . . .

**MD LEGAL BULLETIN
TAX ASSESSMENT APPEAL PROCESS
PAGE 2**

Once an appeal has been filed by one of the methods described above, the appeal process proceeds through several levels, as follows:

FIRST - SUPERVISOR'S LEVEL

In this first level of the appeal process the property owner presents his/her/their case to an assessor designated by SDAT. The hearings at this level are informal and brief (typically 15-30 minutes). In preparation for this hearing the property owner can obtain (free of charge) a copy of the worksheet completed by the assessor which was used to establish the current assessment. In addition, for a nominal fee a property owner can obtain copies of worksheets for comparable properties from the assessment office. Property owners can also obtain and present information and documentation in support of their position on value from sales information located in the assessment office or other data sources and local listings of property in newspapers and/or from real estate sales brokers. **This level of appeal provides the property owner with an opportunity to present evidence which would indicate that the SDAT's value of the property is inaccurate.**

SECOND - PROPERTY TAX ASSESSMENT APPEAL BOARD

Following the hearing (at the Supervisor's Level) a taxpayer will receive a final notice. If the property owner disagrees with the decision an appeal can be filed, within 30 days from the date of the final notice, with the Property Tax Assessment Appeal Board, comprised of members appointed by the Governor. A hearing is held at which the property owner can present any evidence or documentation supporting the owner's position that the assessment is incorrect. After the hearing the Board issues a notice of its findings.

THIRD – MARYLAND TAX COURT

If the property owner is dissatisfied with the decision of the Appeal Board an appeal can be filed within 30 days of the Board's decision to the Maryland Tax Court, which is an independent body appointed by the Governor. Although the proceedings are more formal than in the first two levels of appeal it is still considered to be an informal, administrative hearing. Property owners who are in disagreement with the decision of the Tax Court can appeal further through the regular judiciary system.

Additional information and forms used to initiate the appeal process referenced above can be found at the SDAT website: <http://www.dat.state.md.us>

“SETTLE ON OUR EXPERIENCE”®

This bulletin is for informational purposes only and is not intended as legal advice to be used or depended upon in any specific transaction. All parties are advised to seek competent legal counsel with respect to these issues before entering into any transaction.