

Dear Members of the House Ways and Committee-

I submit this written testimony in my personal capacity as resident of the Town of Kensington and someone who was born, raised and is now raising a family in Montgomery County, Maryland.

I express my concern and strenuous opposition to House Bill 1488 (HB1488) as it presents significant challenges to the fairness and integrity of property tax assessments in our state. **I urge you to return an unfavorable report.**

HB1488 is styled a simple legislative fix to clarify the definition of taxpayer in property tax appeals. Such deceptive styling is by design and relies on the assumption that the legislators of Maryland will not pay enough attention to see the wide-reaching implications of this Bill. I submit this testimony today in order to ensure the Committee has the full picture of this harmful legislation.

First, HB1488 is unnecessary. The current system allows for third-party appeals to the Department of Assessments and Taxation (SDAT), offering an essential mechanism to address under-assessed commercial properties. This process, while sparingly used, plays a crucial role in ensuring assessment accuracy and promoting taxation fairness. **Importantly, there is no documented evidence of abuse within the appeals process and thus, the bill revises a process that is currently working for the taxpayers of Maryland.**

Second, there is no justification for the December 2022 retroactivity date of HB1488. In the case described in the Fiscal and Policy Analysis, SB1027 (HB1488) circumvents the existing Property Tax Assessment Appeals Board (PTAAB) through retroactive measures. While impacting assessments **statewide**, the bill singles out a specific case in Kensington, targeting the property at 3700 Plyers Mill Rd. The property sold in August 2022 with a sale price of \$76.25M. However, its initial assessment stood at \$21M. After a third-party appeal to SDAT in December 2022, **the assessment was appropriately adjusted to reflect the market value.**

Make no mistake, this HB1488 was designed specifically to target the third-party application about the property at 3700 Plyers Mill Rd. HB1488 was initially drafted by a lobbyist hired by the property owner at 3700 Plyers Mill Rd. The retroactivity date is specifically aimed to moot a timely third-party appeal made after December 1, 2022. Approving a law targeting a specific appeal concerns me about the fundamental fairness of this law and its potential ex post facto application. The current process also provides fairness for the property owners, as it did here, and the owner of 3700 Plyers Mill Rd had ample opportunity to contest this appeal before SDAT rendered its decision. The committee should question whether the law benefits their constituents in general or a single commercial property owner.

Finally, HB1488 poses a broader threat by eliminating all future third-party appeals. In Montgomery County and potentially other jurisdictions, local governments routinely utilize this mechanism to rectify under-assessed properties. **The bill jeopardizes the ability of local authorities to maintain fair and accurate property tax assessments**, as illustrated by the

oversight in Kensington. As outlined in the Fiscal and Policy Note, the enactment of HB1488 would not only result in significant revenue loss for Montgomery County but also inhibit its ability to challenge unjustifiably low assessments in the future. This would have far-reaching implications for the county's (and the state's) fiscal health and the fairness of its tax system.

In closing, allowing the special interests of a single commercial property owner to outweigh that of the taxpayers of Maryland who have an interest in fair taxation makes bad law and poor representation from our elected officials. At a *minimum* the committee should consider not making the law retroactive.

In light of these concerns, I urge your committee to carefully consider the implications of HB1488 and to issue an unfavorable report on this legislation. Preserving the integrity of our property tax assessment system is paramount to ensuring equitable taxation and sustaining vital public services.

Thank you for your attention to this matter. Please do not hesitate to contact me if you require any further information.

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Kensington, Maryland