

Joel L. & Patricia W. Perrell

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In the Maryland Tax Court

v.

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Supervisor of Assessments

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for Baltimore City

24-RP-BA-1161

Memorandum and Order

The Petitioners come to this Court seeking relief on two separate issues. The first issue concerns the Supervisor's sending of two assessment notices, one on December 28, 2023, and then one on January 30, 2024. The December notice's assessment is \$808,000 and the January notice's assessment is \$1,178,400. To the Petitioners, the second notice is illegal and without statutory or regulatory permission. To the Supervisor, a second notice is often the regular course and is in accordance with Maryland law and related regulations. The second issue concerns the full cash value of the property as of the date of finality, which is January 1, 2024. After hearing these two issues, the Court requested and received post-hearing briefs from both parties on the first issue. For the reasons stated below, the Maryland Tax Court, on this *SIXTH* day of JUNE 2025 hereby AFFIRMS the validity of the January 30, 2024, notice on the first issue and REVERSES the decision of the Property Tax Assessment Appeals Board of Baltimore City ("PTAAB") with respect to the second issue.

Notice Issue

In Maryland, there is a three-year cycle of property tax assessments. MD. CODE ANN., TAX-PROP. §§ 2-203(a)(1); 8-104(b)(1). Assessments can happen more frequently, and

reassessments must be made if one of six conditions is met. *Id.* at §§ 2-203(a)(1); 8-104(c)(1).¹ The statutes are silent as to a notice requirement when there is no change in assessment, but a written notice to the taxpayer is mandated for “an increase or decrease in an existing real property value.” *Id.* at § 8-401.² Further, “[t]he notice shall be served as provided by § 8-402 of this subtitle on or before January 1 or any other date specified in this article.” *Id.* at § 8-401(c).

None of the six conditions for revaluing property is triggered here. Similarly, none of the five conditions required for a written notice is triggered here. As those do not apply, section 8-401(b) does not apply. Thus, only section 8-401(c) applies. That section allows a notice to be sent by “January 1 **or any other date specified in this article.**” *Id.* (emphasis added). Thus, any date between January 1 through January 31 is valid. *Id.* Further, the January notice is not a retroactive assessment or a mid-cycle evaluation, nor is there any prohibition from issuing a notice in January if there was already a notice prior to January. Moreover, the Attorney General has held that as long as an assessment notice does not infringe a taxpayer’s rights to appeal, then it can be sent after the date of finality. 63 OP. ATT’Y GEN. 25 (1978); MD. CODE ANN., TAX-PROP. § 8-401(c)(4)(i).

The Supervisors of Assessments across Maryland, as well as the State Department of Assessments and Taxation generally, are granted latitude and deference for many practices and

¹ The six conditions are: 1) zoning change; 2) change in use or character of the property; 3) substantially completed improvements to the property resulting in \$100,000 or more; 4) error in calculations or measurements of the property; 5) a residential use assessment is terminated; and 6) a subdivision occurs. MD. CODE ANN., TAX-PROP. § 8-104(c)(1).

² Written notice is required for five conditions: 1) an increase or decrease in an existing real property value; 2) a change in the classification of the real property; 3) establishment of an initial real property value; 4) a decision on an assessment appeal or a petition to change an existing real property value or classification or 5) a revaluation of reclassification, if a valuation or classification has been appealed but not finally determined. *Id.* at § 8-401(b)(1-5).

procedures.³ Considering that the “two-notice” practice has been a long-standing practice, the Court does not view this practice as arbitrary, capricious, or egregious.⁴ There are no procedural or substantive due rights violations; the taxpayers’ right to appeal is not infringed in any way by the two-notice practice. Moreover, the two-notice practice is pervasive and not targeted at specific property owners. In fact, the Supervisor’s long-standing interpretation appears to be consistent with the plain and unambiguous language of the statutes. *See FC-GEN*, 482 Md. at 378. The applicable statutes in this case are clear: a notice during January of the year of finality is permissible.

While the Supervisor calls the January notice a “supplemental notice,”⁵ it is not titled as such. Pet’rs’ Ex. 2. Clarity is important and the Supervisor should avoid confusing taxpayers by clearly titling the second notice.

A separate notice in January of the year of finality containing appeal rights is permissible as a final appealable notice regardless of whether a prior notice was issued or not.⁶

³ Several appellate court opinions agree. *Macht v. Dep’t of Assessments of Balt. City*, 266 Md. 602 (Md. 1972); *Thames Point Assocs. v. Supervisor*, 68 Md. App. 1 (Md. Ct. Spec. App. 1986); and *Atl. Venture, Inc. v. Supervisor of Assessments of Balt. City*, 94 Md. App. 73 (Md. Ct. Spec. App. 1992). More recently, in *Comptroller of Maryland v. FC-GEN Operations Invs. LLC*, 482 Md. 343 (Md. 2022), the Supreme Court held: “the court may give appropriate deference to the Comptroller’s interpretation of a tax statute—not the Tax Court’s interpretation—to the extent the interpretation is premised upon a statute that the Comptroller administers and the regulations promulgated for that purpose.” *Id.* at 378.

⁴ *E.g.*, *Samet v. Supervisor of Assessments*, 290 Md. 357 (Md. 1981).

⁵ The State Department of Assessments and Taxation Procedures Manual, available online, refers to “supplemental notices.”

<https://dat.maryland.gov/Pages/ProcedureDetails.aspx?AspXPage=g%5F2D618D9BFA134A4D8514F0C99765B324:%2540ID%3D271>.

⁶ The Court notes that there was a correction to the year of the Homestead Tax Credit from 2023 to 2015 between the two notices. The correct year appears to be 2015, which is the year stated in the January notice. This correction is not a correction of the assessment, however, and is of little moment. It is unlikely that the correction would, on its own, have necessitated the Supervisor having to send another notice.

Full Cash Value of the Subject Property Issue

Testimony and evidence were presented by the Petitioners and the Respondent on the valuation of the Petitioners' property. The Petitioners maintained that the value of the property was \$808,000, while the Respondent valued the property at \$1,000,000. Sitting in the Inner Harbor (the home is one of several on a pier over the water), the subject property is on Ponte Villas North. It commands picturesque views of the Inner Harbor, but is not located on the most pleasurable section of the pier and does not command the best views. The home is near a service road and is in the interior of the row of homes. The Petitioners testified that their home is to the west of the break in the pier, meaning that the views are significantly less desirable than those to the east of the break. As such, the eastern homes are not comparable and the market values of the sales of those homes are significantly higher. The Petitioners calculated these differences to be about \$100 per square foot. The Respondent used three comparable properties that are located to the east of the break. Considering all the evidence, the Court understood that the subject property contained some obsolescence due to obstructed views.

Also, there were properties relied upon by both sides that were of little decisional value, including non-arm's length sales or sales many years before the date of finality. The Court did not use those properties in its consideration of the full cash value. In addition, there were significant adjustments made by both parties that were approximately \$100,000 - \$150,000 among the properties.

The Court acknowledges that there is a material difference between comparing east and west units on the pier. As such, the Petitioners have met the requisite burden of proof. The Court, however, does not agree with the Petitioners' assertion that those differences yield such a large reduction in value. The home still is well maintained, is in one of the more desirable areas

of Baltimore City, and still commands some exquisite views. Therefore, the Court values the full cash value of the property as of the date of finality as \$975,000, reversing the value decided by PTAAB.

CC: Joel Perrell, Jr., Esq.

Vincent Guida, Jr., Esq.

Katrina Wiggins, Administrator

CERTIFIED TRUE COPY

TEST: Andrew Berg, Clerk

NOTICE: You have the right of appeal from the above Order to the Circuit Court of any County or Baltimore City, wherein the property or subject of the assessment may be situated. The Petition for Judicial Review **MUST** be filed in the proper Court within thirty (30) days from the date of the above Order of the Maryland Tax Court. Please refer to Rule 7-200 et seq. of the Maryland Rules of Court, which can be found in most public libraries.

JUDGE