

MARYLAND TAX COURT

FISCAL YEAR 2024 OPERATING BUDGET RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS

SENATE BUDGET AND TAXATION COMMITTEE

Public Safety, Transportation, and Environment Senator Sarah K.
Elfreth, Chair February 3, 2023

HOUSE APPROPRIATIONS COMMITTEE

Public Safety and Administration Delegate Tony Bridges, Chair
February 1, 2023

The Maryland Tax Court (Court) concurs with the DLS recommendation regarding the Fiscal Year 2024 operating budget.

The Court has been asked to comment on the COVID-19 backlog in other agencies impacting the ability to operate efficiently in terms of benchmarks and clearance rates.

The Court will continue its efforts to meet the goals as stated in the annual Managing for Results (MFR) submission. All FY 2023 data, however, has still been affected by the COVID-19 pandemic and resulting closures of State agencies and slowdowns of agency functions. Hearings and decisions from the lower level of administrative appeals continue to be postponed, thus lessening the filed petitions to the Court. A gradual return to pre-pandemic appeals totals is anticipated for FY 2023 and 2024. As of January 27, 2023, the rate of filed petitions suggests that the Court will have around 1000 appeals this calendar year. The Court had 900 appeals in calendar year 2022.¹ Backlogs have been reduced at Court and hearings continue to be scheduled, but COVID-19

¹ The Court had 827 petitions filed in FY 2022. As of January 27, 2023, the Court had 527 petitions filed for FY 2023.

related postponements and delays affect the FY 2023 efficiency performance data. Also affecting the FY 2023 data is the fact that there were a greater-than-usual number of appeals held off the docket for many preceding years pending the results of related appellate decisions or bankruptcy resolutions that were finally closed in FY 2023.² This resulting high total of days to be closed skewed the data considerably.

The pandemic does continue to affect the number of appeals heard at Court, too. The Court is still consistently fielding postponement requests due to litigants being exposed to, and falling ill to, COVID-19. Staffing disruptions in local assessment offices also slow the Court's ability to hear cases. For property valuations, the assessors are often the only witness for the Respondent. When assessors are unavailable for Court, then the Respondent generally requests a postponement. A lack of assessors also delays Petitioners' abilities to discuss any settlement arrangements. Similarly, Respondents' counsel can only process paperwork so fast with their limited staff and operational resources.

Disruptions in the mail also add to Court delays. When a Court notice is not delivered by the Postal Service on time to parties, then a postponement is usually requested so that the party has enough time to prepare responses and/or prepare for their Court hearing.

Assuming pandemic related delays to ease in future fiscal years, it is expected that Court workload and performance will eventually return to prior levels with the goal to exceed prior performance data.

The Court welcomes the opportunity to address the Subcommittee and answer any questions from the members.

Thank you for your consideration and time.

Anthony C. Wisniewski, Chief Judge

Andrew D. Berg, Clerk of the Court

² Cases on appeal from the Tax Court can take years to be heard in the circuit courts and appellate courts, delaying the Tax Court's final decision to close these cases. These types of long cases were of course also delayed in the circuit courts and appellate courts due to the pandemic.