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Tax Court, Task Force to Study the Maryland.

Report of the Task Force to Study the
Maryland Tax Court.



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REPORT

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OF THE

TASK FORCE

TO STUDY THE

MARYLAND TAX COURT

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I. INTRODUCTION.

The Task Force to study the Maryland Tax Court (the "Task Force") was appointed by Governor Harry Hughes by letters from the Governor dated September 14, 1984. The Task Force was charged with making a full review of the functions and duties of the Maryland Tax Court (the "Tax Court").

The Tax Court was created in 1959 through a statutory reorganization of the former State Tax Commission (the "Commission"). In that reorganization, the Commission was divided into two agencies, the State Department of Assessments and Taxation and the Maryland Tax Court. The Tax Court was empowered to exercise the quasi-judicial powers formerly delegated to the Commission. As a result, the Tax Court hears appeals involving assessment and taxation¹ that were previously heard by the Commission.

The Tax Court, an administrative agency, is the final step in the administrative appeal process. Subsequent appeals to the Circuit Court and beyond are heard on the basis of the record made in the Tax Court.²

In recent years, the Tax Court has been the subject of two separate inquiries. One was in response to legislative action, the other as a result of an executive branch initiative. The

¹Article 41, §318

²Article 81, §229(o), (p)

Maryland Tax Court Study Commission, created pursuant to Joint Resolution #30 of the 1978 General Assembly, issued a report in 1979 and made numerous recommendations. However, only one of the majority report recommendations, which was to require the Tax Court to adopt Rules of Procedure in accordance with the Administrative Procedures Act, resulted in enacted legislation.³ The Tax Court did adopt two of the minority report recommendations: to hear cases in panels of three judges (which is the minimum required by statute) instead of five, and to schedule cases two days per week.

In 1980, the State Department of Budget and Fiscal Planning issued a "Management Analysis of the Maryland Tax Court." The purpose of that study was to review the administrative structure and operations of the Tax Court, make recommendations on improving the efficiency of the Court, and to analyze the feasibility and fiscal impact of the 1979 Commission recommendations related to administrative structure and operations. The basic concern of the report was how to reduce the backlog of 2,376 cases as of January 3, 1980. In response to the report, the Tax Court began scheduling more cases for each court day, reducing the number of postponements

³Chapter 283, Laws of 1980, amended Article 81, §229(b) so that rules of the Tax Court must be adopted pursuant to the Administrative Procedures Act.

granted, using a pre-trial conference procedure more frequently, and generally tried to improve the management of its docket.

The Task Force used the 1979 and 1980 reports as the starting point for its inquiry, updating the statistical tables found in the 1980 report and obtaining additional statistical data. Most of the tables in this report use an "actual" case statistic as the unit of comparison, which means that multiple appeals (e.g., a condominium involving 200 units) are treated as one appeal.⁴ This treatment is appropriate because multiple appeals are heard as one case. Thus, an actual case statistic is a more realistic measure for case analysis. All of the statistics are found in Section III of this report.

The Task Force held four meetings. Statistics were reviewed, public testimony was taken and final recommendations were adopted. Those recommendations are contained in Section II of this report. Throughout its inquiry and deliberations, the Task Force received the full cooperation of the judges and staff of the Tax Court. The judges of the Tax Court reviewed a draft of this report, and their letter of comments dated January 11, 1985, is attached.

The Task Force is grateful to William Hammond, Esquire, who served as reporter to the Task Force for his able support.

⁴In a "multiple" case statistic, each unit in a 200-unit condominium appeal would be treated as a separate case.

II. RECOMMENDATIONS.

The Task Force offers the following recommendations:

1. IN A CASE HEARD BY AN EXAMINER, THE EXAMINER'S RECOMMENDATION SHOULD BE SENT TO THE PARTIES, AND THE PARTIES SHOULD BE GIVEN THE OPPORTUNITY TO FILE EXCEPTIONS BEFORE THE RECOMMENDATION IS CONSIDERED BY THE COURT IN DECIDING THE APPEAL.

Under Article 81, §229A, the Tax Court may assign cases involving real property valuation to examiners for hearing. The examiners hear the appeal and write a recommendation which the Court may adopt, modify or reject. However, the current practice does not permit the parties to file exceptions to the recommendation before the Court issues an order. Thus, the parties cannot comment on the recommendation, which serves as the basis for the Tax Court decision. In a recent case, the Circuit Court for Baltimore County reversed a Tax Court order that had been issued under the current practice. See, Joseph E. Seagram and Sons, Inc. v. Supervisor of Assessments of Baltimore County, Law No. 83 M 355/15/390.

The Task Force believes that fairness to the parties dictates that they have the opportunity to file exceptions before the Court adopts or otherwise acts on a recommendation. Therefore, the Tax Court should adopt a procedure to this effect, including rules regulating the time for filing exceptions.

The Task Force was advised that the Tax Court did not oppose this recommendation but that it would need an additional clerk if the recommendation procedure outlined above is adopted. Therefore, the Task Force recommends that the Tax Court budget be increased to provide for one additional clerk.

2. CERTAIN REAL PROPERTY VALUATION CASES INVOLVING COMMERCIAL AND INDUSTRIAL PROPERTIES SHOULD BE ASSIGNED TO THE COURT FOR HEARING.

An examination of Tables 7A, 7B, and 7C (see Section III of this report) shows that 95% of all real estate assessment cases are assigned to examiners for hearing. While the Task Force believes that this is an appropriate way of handling residential assessment cases, the Task Force also believes that commercial and industrial appeals, often involving large amounts of taxable base and sophisticated appraisal technique, should not be heard by examiners. Therefore, the Task Force recommends that the Court, in its discretion, assign these cases to the Court for hearing.

3. THE TAX COURT BUDGET SHOULD BE INCREASED TO ENABLE PROMPT HEARING OF CASES ASSIGNED TO HEARING EXAMINERS.

As mentioned above, approximately 95% of all real estate assessment cases are assigned to examiners, who are contractual employees paid on a per diem basis. There is not enough money

in the Tax Court budget to pay for the number of examiner days needed to process these appeals in a timely fashion. Therefore, the Task Force recommends that the budget of the Tax Court be increased to provide the required number of examiner days to be scheduled. Based on information available to the Task Force, this should not be a large amount. Senator Levitan does not join in this recommendation.

4. FOR APPEALS OTHER THAN REAL PROPERTY VALUATION, THE CIRCUIT COURT AND THE TAX COURT SHOULD HAVE CONCURRENT JURISDICTION.

The Task Force recommends that in cases involving personal property tax, income tax, sales tax and other miscellaneous taxes (i.e., all cases other than real estate assessments), either party to an appeal should be allowed to bypass the Tax Court and have the Circuit Court hear the appeal on the merits. Due to the availability of discovery, the ability to have trials scheduled for more than one day, and avoidance of hearings in both the Tax Court and Circuit Court of a case that will ultimately be heard in the appellate courts, the Circuit Court should be available as an option for a trial on the merits.

The argument that a single court hearing all tax cases is necessary to assure uniformity, while persuasive in cases of valuation of real property, is not persuasive in income and sales tax cases, which frequently involve statutory construc-

tion. If neither party desires the more formal procedure of the Circuit Court, the case can be tried in the Tax Court, with its relatively informal procedures. This recommendation may be accomplished through legislative action.

It has been suggested that in cases heard by the Tax Court involving issues other than real property valuation, the Tax Court should file written opinions to promote uniformity.

5. THE TAX COURT SHOULD BE EMPOWERED TO PERMIT ONE JUDGE TO HEAR AND DECIDE A CASE THAT HAS BEEN HEARD BY AN EXAMINER.

Presently, under Article 81, §228, a majority of the five judges are required to hear and decide an appeal. The Court has suffered in the past from time delays in scheduling, hearing and disposing of cases, in part because the judges sit only two days per week in panels of three. Delays could be reduced if the Court could schedule cases before one judge. Thus, if the Court experiences a sudden influx of appeals as it did in the mid-1970's, the Court would have a tool at its disposal to handle them. The Task Force notes that the Tax Court has reduced its backlog considerably, from 2,376 cases in fiscal year 1980 to 1,023 as of October 31, 1985.⁵ (See Table 3, Section III of this report.) If an actual case statistic is

⁵Using a "multiple" case statistic.

used, the backlog as of October 31, 1984 is 522. It is noted that this latter figure includes cases open for a variety of reasons, including scheduled and unscheduled cases, cases awaiting orders, opinions, settlement letters, etc.

In line with this recommendation, the Tax Court should assign one judge to each examiner appeal. This will provide needed oversight as the examiner proceeds with a case and will promote uniformity. Presently, one judge reviews examiner recommendations, but orders must be signed by three judges. Because only one judge is effectively deciding the case, it appears the signatures of the other two judges are unnecessary.

6. THE SALARY STRUCTURE OF THE TAX COURT JUDGES SHOULD BE REVIEWED.

The Task Force recommends that the current salary structure of the Tax Court judges be reviewed to see if the compensation is equitable in light of the duties performed. The Task Force does not make any specific recommendations as to salary level.

7. THE TAX COURT SHOULD SUBMIT AN ANNUAL REPORT TO THE GOVERNOR WHICH SUMMARIZES ITS ACTIVITY FOR THE YEAR, PARTICULARLY AS TO CASE MANAGEMENT.

The Task Force commends the Tax Court for reducing its backlog by scheduling, hearing and deciding cases more quickly. (See Tables 7A, 7B, 7C and 7D in Section III of this report.) However, it believes that an annual report should be submitted by the Tax Court to the Governor each year. The report should focus on the time span from filing to disposition of cases, in general, and the number of pending cases and the length of time they have been pending, in particular. In this way, the progress of the Court can be reviewed on a regular basis.

8. THE TASK FORCE ENCOURAGES THE APPOINTMENT OF LAWYERS AS TAX COURT JUDGES.

The law provides that at least two of the five judges on the Tax Court shall be lawyers.⁶ Currently, four of the five judges on the Tax Court are lawyers. The Task Force commends the practice of appointing lawyers to serve on the Court. Due to the frequency of legal issues confronting the Court, the Task Force recommends that a substantial majority of future appointees to the Tax Court also be lawyers. However, the Task Force does recognize the contributions made by Tax Court judges who are not members of the Bar and does not suggest that all future appointments necessarily be lawyers.

* * * * *

⁶Article 81, §224.

In making these recommendations, the Task Force has considered and rejected the following suggestions:

1. Make the Tax Court a full-time Court equal in stature to the Circuit Court with appeals directly to the Court of Special Appeals. The simplified procedures of the present Tax Court have advantages and work well in most cases. The problem cases can be handled under Recommendation 4 above. Also, this proposal would entail a constitutional amendment and present other difficulties in implementation.

2. Abolish the Tax Court and let all cases be tried in the Circuit Court. This would impose on the Circuit Court a large volume of residential real estate appeals that can be handled more simply and expeditiously by the Tax Court and its hearing examiners.

3. Make the position of hearing examiner a full-time office and require the examiners to be lawyers. Since residential real estate appeals generally involve questions of valuation, this suggestion would increase the cost of operating the Tax Court without demonstrable benefit to the State or the property owners.

III. STATISTICAL TABLES

The following Tables were compiled for the Task Force from the Tax Court records. In reading the Tables, the difference between a "multiple" case statistic and an "actual" case statistic should be kept in mind. Under a multiple case statistic, each individual appeal (e.g., a condominium project involving 200 appealed unit values) is treated as a separate case. Under an actual case statistic, the 200 unit appeals are treated as one case. Because a multiple appeal involves one hearing and one decision, the actual case statistic is a more realistic measure to use in analyzing case data.

The Task force wishes to thank the staff of the Tax Court, especially Mr. John T. Hearn, Deputy Clerk, for compiling the Tables for the Task Force.

Respectfully submitted,

The Honorable William H. Adkins, II
Robert J. Admiller, Esquire
The Honorable Walter M. Baker
Gene L. Burner
Freddie Howard Cook
Stephen Cordi, Esquire
John R. Hammond
The Honorable William S. Horne
Gary M. Hyman, Esquire
Cecilia Januszkiewicz, Esquire
Ernie Honig Kent
The Honorable Seymour Korn
The Honorable Laurance Levitan
The Honorable Thomas J. Mooney
M. Peter Moser, Esquire

Lowell R. Bowen, Esquire, Chairman

Table 1
 Maryland Tax Court Case Filings
 FY 1970 - First Four Months of FY 1985

<u>FY</u>	<u>Multiple Cases Filed</u>	<u>% Change Over Previous Year</u>	<u>Actual Cases Filed*</u>	<u>% Change Over Previous Year</u>
1985 (First four months only)	469		266	
1984	2,383	-53%	1,003	-11%
1983	5,109	+125%	1,137	-3%
1982	2,262	+14%	1,175	-6%
1981	1,972	-31%	1,252	-24%
1980	2,874	+56%	1,662	--
1979	1,841	-58%		
1978	4,401	+55%		
1977	2,839	+67%		
1976	1,703	+2%		
1975	1,662	+46%		
1974	797	-31%		
1973	1,152	+76%		
1972	653	+65%		
1971	395	-23%		
1970	513	--		

Source: Maryland Tax Court Monthly Reports

* Multiple cases treated as one case.

Table 2

Maryland Tax Court
Multiple Case Filings by Type of Case
and Per Cent of Total
FY 1975 - First Four Months of FY 1985

<u>FY</u>	<u>Real Estate</u>	<u>% of Total</u>	<u>Income Tax</u>	<u>% of Total</u>	<u>Sales Tax</u>	<u>% of Total</u>	<u>Tangible Personal Property-Corporate</u>	<u>% of Total</u>	<u>Misc.</u>	<u>% of Total</u>
1985 (First four months only)	211	45%	110	23%	16	3%	2	< 1%	130	28%
1984	1,975	83%	318	13%	63	3%	5	< 1%	22	1%
1983	4,821	94%	208	4%	30	< 1%	17	< 1%	33	1%
1982	1,975	87%	220	10%	17	< 1%	11	< 1%	39	2%
1981	1,677	85%	226	11%	18	< 1%	5	< 1%	46	2%
1980	2,702	94%	119	4%	10	< 1%	9	< 1%	34	1%
1979	1,595	87%	161	9%	10	< 1%	8	< 1%	67	4%
1978	4,112	93%	152	3%	10	< 1%	20	< 1%	107	2%
1977	2,141	75%	211	7%	12	< 1%	14	< 1%	461	16%
1976	1,504	88%	125	7%	12	1%	22	1%	40	2%
1975	1,549	93%	72	4%	11	1%	17	1%	12	1%
TOTAL	24,262	88%	1922	7%	209	< 1%	130	< 1%	992	4%

Source: Maryland Tax Court Monthly Reports

*There was 1 TPP-I case filed in FY 1980 not included in this figure.

Table 2A

Maryland Tax Court
Actual Case Filings by Type of Case*
and Per Cent of Total
FY 1980 - First Four Months of 1985

<u>Year</u>	<u>Real Estate</u>	<u>% of Total</u>	<u>Income Tax</u>	<u>% of Total</u>	<u>Sales Tax</u>	<u>% of Total</u>	<u>Tangible Personal Property-Corporate</u>	<u>% of Total</u>	<u>Misc.</u>	<u>% of Total</u>
1985 (First four months only)	150	56%	90	34%	16	6%	2	< 1%	8	3%
1984	658	66%	258	26%	61	6%	5	< 1%	21	2%
1983	889	78%	175	15%	28	2%	12	1%	33	3%
1982	917	78%	194	17%	17	1%	8	< 1%	39	3%
1981	991	79%	195	16%	12	< 1%	5	< 1%	49	4%
1980	<u>1,508</u>	<u>91%</u>	<u>98</u>	<u>6%</u>	<u>10</u>	<u>< 1%</u>	<u>9</u>	<u>< 1%</u>	<u>37</u>	<u>2%</u>
TOTAL	5,113	78%	1,010	16%	144	2%	41	< 1%	187	3%

*Multiple cases treated as one case.

Source: Maryland Tax Court

Table 3
 Maryland Tax Court
 Multiple Cases Filed,
 Disposed of, and Open
 FY 1959 - First Four Months FY 1985

<u>Fiscal Year</u>	<u>Cases Filed</u>	<u>Cases Disposed of</u>	<u>Open Cases*</u>
1985 (First four months only)	469	3,290	1,023
1984	2,383	4,158	3,209
1983	5,109	2,331	4,984
1982	2,262	1,658	2,206
1981	1,972	2,465	1,602
1980	2,874	3,603	2,095
1979	1,841	3,914	2,821
1978	4,401	1,775	4,894
1977	2,839	2,425	2,268
1976	1,703	1,646	1,854
1975	1,662	621	1,797
1974	797	1,136	756
1973	1,152	739	1,094
1972	653	357	553
1971	395	446	257
1970	513	314	308
First 10 Years of Court (1959-1969)	2,438	2,329	109

Source: Maryland Tax Court Monthly Reports for FY 1971-1985; remainder from Maryland Tax Court Study Commission Report

* Includes scheduled and unscheduled cases, cases awaiting either orders, opinions, settlement letters, or the outcome of appeals in higher courts, and cases otherwise considered open.

Table 4
 Maryland Tax Court
 Actual Pending Cases by Year of Filing*
 (As of 10/31/84)

<u>Calendar Year Case Was Filed</u>	<u>Number of Cases</u>	<u>Per Cent of Total Backlog</u>
1984	83	97.6%
1983	1	1.2%
1982	<u>1</u>	<u>1.2%</u>
TOTAL	85	100.0%

*Multiple cases treated as one case.

Note: Excludes cases already scheduled, cases awaiting either opinions, orders, settlement letters, or the outcome of appeals in higher courts, and cases otherwise considered open.

Source: Maryland Tax Court

Table 5
 Maryland Tax Court
 Actual Pending Cases, By Type*
 (As of 10/31/84)

<u>Type of Case</u>	<u>Number of Cases</u>	<u>Per Cent of Total</u>
Real Estate	34	40%
Income Tax	40	47%
Miscellaneous	4	4.7%
Sales Tax	7	8.3%
Tangible Personal Property Corporate	<u>0</u>	<u>0</u>
TOTAL	85	100%

NOTE: Table excludes cases already scheduled, cases awaiting either orders, opinions, settlement letters, or outcome of appeals in higher courts, and cases otherwise considered open.

* Multiple cases treated as one case.

Source: Maryland Tax Court

Table 6
 Maryland Tax Court
 Number of Days Court in Session
 1976 - First Ten Months of 1984

<u>Calendar Year</u>	<u>Number of Days Court in Session</u>	<u>Number of Days Court Scheduled To Be In Session</u>
1984 thru Oct.	72	84
1983	63	86
1982	56	95
1981	80	97
1980	65	65
1979	41	
1978	44	
1977	40	
1976	42	

Source: Review of Court Dockets

Time Span For Filing, Hearing and Disposition of Actual Cases *

FY 1982

	# of Cases Filed by Type	# of Cases Disposed	Length of Time Filing to Hearing For All Cases Filed (In Months)			Length of Time Hearing to Disposition (In Months)			# of Cases Pending Hearing	# of Cases Pending Disposition After Hearing
			Mean	Median	Mode	Mean	Median	Mode		
Total Real Estate	917	899	8.6	5.7	4.0	1.8	1.0	1.0	4	8
1. Examiner	870	858	8.2	5.3	4.0	1.7	1.0	1.0	2	5
2. Court	47	41	14.8	12.0	25.0	3.1	1.5	1.0	2	3
Income Tax	194	181	18.6	17.8	17.0	2.0	0.8	1.0	3	6
Sales Tax	17	15	13.0	11.0	10.0	6.8	6.0	2.0	1	0
Tangible Personal Property - Corporate	8	6	7.2	6.5	7.0	21.0	21.0	20.0	0	1
Miscellaneous	39	35	8.5	7.2	8.0	2.6	0.9	1.0	0	0
TOTAL	1,175	1,136	10.3		4.0	1.9		1.0	8	15

Source: Maryland Tax Court

* Multiple cases treated as one case.

Note: The sum of the number of cases disposed, the number of cases pending hearing and the number of cases pending disposition after hearing does not equal the number of cases filed by type. The reason for this is that some cases are not disposed because they are awaiting settlement letters or the outcome of appeals in higher courts, or because they are stayed by bankruptcy. Those cases are not included in this table.

Table 7B

Time Span For Filing, Hearing and Disposition of Actual Cases *

FY 1983

	# of Cases Filed by Type	# of Cases Disposed	Length of Time Filing to Hearing For All Cases Filed (In Months)			Length of Time Hearing to Disposition (In Months)			# of Cases Pending Hearing	# of Cases Pending Disposition After Hearing
			Mean	Median	Mode	Mean	Median	Mode		
Total	1,137	1,087	8.1		3.0	2.0		1.0	20	20
Real Estate	889	860	6.6	5.2	3.0	1.9	1.0	1.0	11	10
Examiner	868	844	6.4	5.1	3.0	1.9	1.0	1.0	10	7
Court	21	16	12.7	10.6	10.0	1.6	0.7	1.0	1	3
Income Tax	175	165	14.4	13.8	17.0	2.1	1.0	1.0	7	2
Sale Tax	28	21	13.5	12.5	11.0	6.3	1.5	1.0	2	6
Tangible Personal Property - Corporate	12	11	10.4	9.5	9.0	6.0	6.0		0	0
Miscellaneous	33	30	9.8	8.5	6.0	2.8	1.4	1.0	0	2

Source: Maryland Tax Court

* Multiple cases treated as one case.

Note: The sum of the number of cases disposed, the number of cases pending hearing and the number of cases pending disposition after hearing does not equal the number of cases filed by type. The reason for this is that some cases are not disposed because they are awaiting settlement letters or the outcome of appeals in higher courts, or because they are stayed by bankruptcy. Those cases are not included in this table.

Table 7C

Time Span For Filing, Hearing and Disposition of Actual Cases *

FY 1984										
# of Cases Filed by Type	# of Cases Disposed	Length of Time Filing to Hearing For All Cases Filed (In Months)			Length of Time Hearing to Disposition (In Months)			# of Cases Pending Hearing	# of Cases Pending Disposition After Hearing	
		Mean	Median	Mode	Mean	Median	Mode			
Total Real Estate	658	503	5.2	4.4	5.0	2.3	1.4	2.0	67	59
1. Examiner	636	487	5.2	4.3	5.0	2.4	1.5	2.0	64	55
2. Court	23	16	5.5	4.5	5.0	1.3	0.8	1.0	3	4
Income Tax	258	179	7.7	6.8	7.0	1.2	0.8	1.0	50	22
Sales Tax	61	27	8.7	8.1	9.0	1.5	1.0	1.0	19	9
Tangible Personal Property - Corporate	5	4	7.6	6.5	6.0	1.0	1.0	1.0	0	1
Miscellaneous	21	10	7.8	6.6	7.0	1.5	1.5	1.0	8	3
TOTAL	1,003	723	6.1		5.0	2.1		2.0	144	94

Source: Maryland Tax Court

* Multiple cases treated as one case.

Note: The sum of the number of cases disposed, the number of cases pending hearing and the number of cases pending disposition after hearing does not equal the number of cases filed by type. The reason for this is that some cases are not disposed because they are awaiting settlement letters or the outcome of appeals in higher courts, or because they are stayed by bankruptcy. Those cases are not included in this table.

Table 7D -

Time Span For Filing, Hearing and Disposition of Actual Cases *

First Four Months of FY 1985

	# of Cases Filed by Type	# of Cases Disposed	Length of Time Filing to Hearing For All Cases Filed (In Months)			Length of Time Hearing to Disposition (In Months)			# of Cases Pending Hearing	# of Cases Pending Disposition After Hearing
			Mean	Median	Mode	Mean	Median	Mode		
Total Real Estate	150	15	3.5	2.8	3.0				127	19
1. Examiner	148	14	3.4	2.8	3.0				124	19
2. Court	2	1	9.0	9.0	9.0				3	0
Income Tax	90	11	6.6	6.5	7.0	1.0			73	0
Sales Tax	16	1	6.6	6.3	6.0				15	0
Tangible Personal Property - Corporate	2	0	6.0	6.0	6.0				2	0
Miscellaneous	8	0	3.5	4.2	4.0				9	0
TOTAL	266	27	4.5		3.0				226	19

Source: Maryland Tax Court

* Multiple cases treated as one case.

Note: The sum of the number of cases disposed, the number of cases pending hearing and the number of cases pending disposition after hearing does not equal the number of cases filed by type. The reason for this is that some cases are not disposed because they are awaiting settlement letters or the outcome of appeals in higher courts, or because they are stayed by bankruptcy. Those cases are not included in this table.

Table 8

Number of Cases Pending Hearing
 Filed in FY 1984
 Grouped by Various Timespans
 From Date of Filing to Scheduled Hearing Date,
 or if Case Unscheduled, Then Grouped by Timespan
 From Date of Filing to October 31, 1984

FY 1984 Type of Case	<u>0-3 Mo.</u>		<u>4-6 Mo.</u>		<u>7-9 Mo.</u>		<u>10-12 Mo.</u>		<u>Over 12 Mo.</u>	
	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>
Real Estate										
1. Examiner	64		16	3	12	3	7	3	16	4
2. Court	3		3							
Income Tax	50		3		37	1	6		3	
Sales Tax	19		1	2	9		3	1	3	
Tangible Personal Property - Corporate	0									
Miscellaneous	8		1	1	6					
Total	144*		24	6	64	4	16	4	22	4

* Corresponds with Column 9 of Table 7C

Table 9

Number of Cases Pending Hearing
 Filed in FY 1985
 Grouped by Various Timespans
 From Date of Filing to Scheduled Hearing Date,
 or if Case Unscheduled, Then Grouped by Timespan
 From Date of Filing to October 31, 1984

FY 1985 Type of Case		<u>0-3 Mo.</u>		<u>4-6 Mo.</u>		<u>7-9 Mo.</u>		<u>10-12 Mo.</u>		<u>Over 12 Mo.</u>	
		<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>	<u>Sch.</u>	<u>Unsch.</u>
Real Estate											
1. Examiner	124	34	56	31	1	2					
2. Court	3			2		1					
Income Tax	73		37	12	3	21					
Sales Tax	15		9	2		4					
Tangible Personal Property - Corporate	2			2							
Miscellaneous	9		6	3							
Total	226*	34	108	52	4	28					

*Corresponds with Column 9 of Table 7D

Table 10

Number of Cases Pending Disposition After Hearing
 Filed in FY 1984
 Grouped by Various Timespans
 From Date of Hearing to October 31, 1984

FY 1984						
Type of Case		<u>0-3 Mo.</u>	<u>4-6 Mo.</u>	<u>7-9 Mo.</u>	<u>10-12 Mo.</u>	<u>Over 12 Mo</u>
Real Estate						
1. Examiner	55	50	5			
2. Court	4	3	1			
Income Tax	22	19	2	1		
Sales Tax	9	7	1	1		
Tangible Personal Property - Corporate	1	1				
Miscellaneous	3	1	2			
Total	94*	81	11	2		

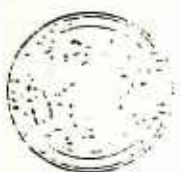
*Corresponds with column 10 of Table 7C

Table 11

Number of Cases Pending Disposition After Hearing
 Filed in FY 1985
 Grouped by Various Timespans
 From Date of Hearing to October 31, 1984

FY 1985							
Type of Case			<u>0-3 Mo.</u>	<u>4-6 Mo.</u>	<u>7-9 Mo.</u>	<u>10-12 Mo.</u>	<u>Over 12 Mo.</u>
Real Estate							
1	Examiner	19	19				
2	Court	0					
	Income Tax	0					
	Sale Tax	0					
	Tangible Personal Property - Corporate	0					
	Miscellaneous	0					
Total		19*	19				

*Corresponds with column 10 of Table 7D



STATE OF MARYLAND

MARYLAND TAX COURT

501 ST. PAUL STREET

BALTIMORE 21202

659-4400

CHIEF JUDGE
SEYMOUR KORN

JUDGES
SUZANNE R. SHERWOOD
WILLIAM B. CALVERT
WALTER C. MARTZ, II
MICHAEL F. CANNING

CLERK
ROBERT L. DOUCK

DEPUTY CLERK
JOHN T. HEARN

January 11, 1985

Lowell R. Bowen, Esq., Chairman
Task Force to Study the Maryland Tax Court
Miles and Stockbridge
10 Light Street
Baltimore, Maryland 21202

Re: Task Force to Study the
Maryland Tax Court

Dear Lowell:

This will acknowledge receipt of your January 3rd, 1985 letter and attached draft of the Task Force Report.

After reviewing the Report and discussing its contents with the Associate Judges of the Maryland Tax Court, I respectfully submit the following observations.

1. IN A CASE HEARD BY AN EXAMINER, THE EXAMINER'S RECOMMENDATION SHOULD BE SENT TO THE PARTIES, AND THE PARTIES SHOULD BE GIVEN THE OPPORTUNITY TO FILE EXCEPTIONS, BEFORE THE RECOMMENDATION IS CONSIDERED BY THE COURT IN DECIDING THE APPEAL.

The Court approves the adoption of Recommendation No. 1.

2. CERTAIN REAL PROPERTY VALUATION CASES INVOLVING COMMERCIAL AND INDUSTRIAL PROPERTIES SHOULD BE ASSIGNED TO THE COURT FOR HEARING.

The Court approves the adoption of Recommendation No. 2 providing that the Court, in its discretion, assign commercial and industrial appeals to itself, as well as to Hearing Examiners as appropriate.

3. THE TAX COURT BUDGET SHOULD BE INCREASED TO ENABLE PROMPT HEARING OF CASES ASSIGNED TO HEARING EXAMINERS.

The Court approves the adoption of Recommendation No. 3.

4. FOR APPEALS OTHER THAN REAL PROPERTY VALUATION, THE CIRCUIT COURT AND THE TAX COURT SHOULD HAVE CONCURRENT JURISDICTION.

The Court is of the opinion that the adoption of Recommendation No. 4 at this time may have the effect of placing additional burdens on the existing Constitutional Court system. Accordingly, we are of the opinion that this Recommendation may not serve its intended purpose.

Lowell R. Bowen, Esq., Chairman

January 11, 1985

5. THE TAX COURT SHOULD BE EMPOWERED TO PERMIT ONE JUDGE TO HEAR AND DECIDE A CASE.

The Court favors the adoption of Recommendation No. 5 with the proviso that the Judge selected to hear and decide a case be a member of the Maryland Bar.

6. THE SALARY STRUCTURE OF THE TAX COURT JUDGES SHOULD BE REVIEWED.

The Court takes no position as to Recommendation No. 6.

7. THE TAX COURT SHOULD SUBMIT AN ANNUAL REPORT TO THE GOVERNOR WHICH SUMMARIZES ITS ACTIVITY FOR THE YEAR, PARTICULARLY AS TO CASE MANAGEMENT.

At present, the Court prepares Reports for submission to both the Executive and Legislative branches on an annual basis. These Reports permit review of the Court and appear to satisfy Recommendation No. 7.

8. THE TASK FORCE ENCOURAGES THE APPOINTMENT OF LAWYERS AS TAX COURT JUDGES.

The Court favors the adoption of Recommendation No. 8, with an amendment to indicate that a majority of the Judges appointed be lawyers.

In addition to the above, the Court respectfully requests the adoption of a Recommendation providing for a Court Reporter to be present at all hearings before the Maryland Tax Court. Hearings before the Court are de novo and the Court is responsible for creation of the record. All too often, the Court and parties before it, have suffered as a result of breakdowns of mechanical recording devices, causing unnecessary disruptions and delays in court proceedings, as well as substantial expense to all involved. As recently as January 9th, 1985 such an unfortunate incident occurred.

May I note that I enjoyed serving with you and the other members of the Task Force.

Very truly yours,



Seymour Korn
Chief Judge

SK:deh