

Circuit Court for Baltimore County
Case No.: C-03-CV-21-003297

UNREPORTED

IN THE APPELLATE COURT

OF MARYLAND

No. 510

September Term, 2022

In the Matter of Supervisor of
Assessments of Baltimore County

Arthur,
Ripken,
Wilner, Alan M. (Senior Judge),
Specially Assigned,

JJ.

Opinion by Wilner, J.

Filed: March 10, 2023

*At the November 8, 2022 general election, the voters of Maryland ratified a constitutional amendment changing the name of the Court of Special Appeals of Maryland to the Appellate Court of Maryland. The name change took effect on December 14, 2022.

*This is an unreported opinion, and it may not be cited in any paper, brief, motion, or other document filed in this Court or any other Maryland Court as either precedent within the rule of stare decisis or as persuasive authority. Md. Rule 1-104.

The issue before us is whether appellee, which we shall refer to as Iglesia, is entitled to a property tax exemption for its church property in Baltimore County for the tax year commencing July 1, 2018.¹ The relevant facts are not in dispute.

BACKGROUND

Iglesia purchased the property for use as a church through a deed dated June 29, 2018 that was recorded in the county land records on September 18, 2018. On August 24, 2018, Iglesia applied to the County Supervisor of Assessments for a property tax exemption pursuant to Md. Code, § 7-204 of the Real Property Article. As relevant here, that section provides that property that is owned by a religious group or organization is not subject to property taxes if the property is actually used exclusively for public religious worship or a parsonage or convent.

By a letter dated January 22, 2019, the Supervisor of Assessments informed Iglesia that its application had been approved for the tax year commencing July 1, 2019 but not for the preceding tax year commencing July 1, 2018. The reason given for that latter decision was that the deed had not been recorded until

¹ Appellant's full name is Iglesia de Dios Hispana de Owings Mills.

September 18, 2018 and that, as a result, Iglesia was not eligible for an exemption for the tax year commencing July 1, 2018.

Iglesia appealed that decision to the county Property Tax Assessment Appeal Board (PTAAB) which, on April 1, 2019, reversed that part of the Supervisor’s decision and approved an exemption for the tax year commencing July 1, 2018. That produced an appeal by the Supervisor of Assessments to the Maryland Tax Court, which, on September 16, 2021, entered an Order affirming the decision of PTAAB on the ground that Iglesia became the owner of the property when the deed was delivered on June 29, 2018.

Citing *Washington Mut. Bank v. Homan*, 186 Md. App. 372, 400 (2009), the Tax Court held that “when one acquires title to property in good faith, without constructive notice of other claims, and for consideration, and then records the deed at a later date, the deed is effective as of the date of delivery” and that “the recording of the Deed on September 18, 2018, perfected that title as to any bona fide purchasers without notice.”

The Tax Court then stated that “Tax Property Article § 7-104, §(a) clearly provides that the ‘date of transfer’ means the date on which property is sold to a transferee and not the date a deed is recorded.” In her brief, the Supervisor argues

that this was an incorrect reference and that the intended reference should have been to Real Property Article, §3-104(a)(2), which provides, in relevant part, that the Supervisor shall transfer ownership of property in the assessment records, “effective as of the date of recordation upon receipt from the Clerk of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey . . .” That, according to the Supervisor, is when she finds that the property is exempt.

Aggrieved at the Tax Court’s affirmance of the PTAAB decision, the Supervisor appealed to the Circuit Court, which affirmed the Tax Court’s and PTAAB’s rulings. The Court relied on Tax-Property Article § 7-104(b) that “[i]f an owner of property subject to an exemption on June 30 files an application for abatement on or before the following September 1 with the Department or the Supervisor, the tax is abated for the taxable year.”

The Court found that Iglesia was the owner of the property as of June 29, 2018 and timely filed an application for abatement on August 24, 2018, before the September 1 deadline. It also found that the delay in recording the deed was on the part of the Supervisor and not Iglesia and that it would be prejudicial to establish the date of recording as the date of ownership for purposes of the exemption. The Court was not persuaded that it was recordation that established ownership for purposes of a tax exemption.

DISCUSSION

The sole issue in this appeal is whether Iglesia became entitled to a property tax exemption for the tax year commencing July 1, 2018 when it received a deed for its tax-exempt property on June 29, 2018 that was not recorded until September 18, 2018. As there are no material facts in dispute, the issue is one of law.

As the Supervisor correctly points out, our review is of the Tax Court’s decision, not that of the Circuit Court. *See Baltimore County v. Greater Baltimore Med.*, 202 Md. App. 282, 293 (2011). Because the Tax Court, despite its name, is an administrative agency and not a court (*see Comptroller v. FC-Gen Operations Inv.*, 482 Md. 343, 365 (2022)), we are obliged to affirm its decision if that decision was not legally erroneous and was supported by substantial evidence appearing on the record. *Sadler v. Dimensions*, 378 Md. 509, 529 (2003); *Comptroller v. Taylor*, 465 Md. 76, 86 (2019); *Comptroller v. Atwood*, 251 Md. App. 661, 667 (2021). As the Supreme Court of Maryland recently made clear, it is within the Tax Court’s jurisdiction to determine, administratively, “the application for an exemption from any assessment or tax.” *FC-Gen Operations Inv.*, *supra* at 365 and 367.

In support of her position that it is the recording of the deed that effects a change in ownership, the Supervisor relies on Code, § 3-104(a)(2) of the Real Property Article. That subsection provides that the Supervisor of Assessments shall transfer ownership of property in the assessment records, effective as of the date of recordation, upon receipt from the Clerk of the Circuit Court of a copy of the instrument, the completed intake sheet, and any survey submitted under paragraph (1) of this subsection. That, the Supervisor insists, makes clear that Iglesia did not become the owner of the property “for property tax purposes” until the Supervisor transferred ownership effective as of the date the deed was recorded, which, as noted, was September 18, 2018.

Iglesia and the Tax Court regard § 3-104(a)(2) as nothing more than a record-keeping statute, implementing in part the duties assigned to the State Director of Assessments under Code, § 2-202 of the Tax-Property Article, but having no relevance to the actual transfer of property. In a nutshell, the debate is whether a person becomes entitled to an exemption when the person becomes the legal owner of tax exempt property which, in turn, is when the person receives a valid deed for the property, or not until the Supervisor administratively transfers the property on his/her assessment records, which, as here, was nearly three

months after Iglesia received the deed and nearly a month after it applied for the exemption.

To get the right answer to this, we need to look at separate, but connected, parts of our property and tax laws: (1) when did Iglesia become the owner of the land in question, and (2) when did that land actually become entitled to an exemption?

The answer to the first question is stated succinctly in § 3-201 of the Real Property Article. That section provides, in relevant part, that “[t]he effective date of a deed is the date of delivery,” which in this case was June 29, 2018.

That section adds that “[e]very deed, when recorded, **takes effect from its effective date** as against the grantor, his personal representatives, every purchaser with notice of the deed, and every creditor of the grantor with or without notice.” (emphasis added). *See also Watson v. Watson*, 304 Md. 48, 58 (1985) (The effective date of a deed is the date of delivery” and “[e]very deed, when recorded, takes effect **from its effective date** as against the grantor, his personal representatives, every purchaser with notice of the deed, and every creditor with or without notice.”) (emphasis added).

That section of the Code, blessed by what is now the Supreme Court of Maryland, makes clear that, once the deed was recorded, **but effective as of when it received the deed on June 29, 2018**, Iglesia became the legal owner of church property that, by law, qualified for an exemption under Code, Tax-Property Article § 7-204. The delay in the recording was in no way the fault of Iglesia but, due, for whatever reason, to a nearly four-week delay by court staff in recording the deed. The law does not contemplate and should not permit an owner properly entitled to an exemption to be deprived of it because of delays by ministerial court personnel.

**JUDGMENT AFFIRMED;
APPELLANT TO PAY
THE COSTS.**