

Bond Case Briefs

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PAYMENTS - MARYLAND

Brutus 630, LLC v. Town of Bel Air

Court of Appeals of Maryland - June 23, 2016 - A.3d - 2016 WL 3449812

Assignee of builder, who paid certain sewer connection charges to town, sought a refund. Town rejected the claim and assignee appealed.

The Tax Court determined that it lacked jurisdiction. Assignee sought review. The Circuit Court dismissed the action. Assignee appealed. The Court of Special Appeals affirmed. Assignee petitioned for a writ of certiorari.

After granting certiorari, the Court of Appeals held that:

- Assignee could seek a refund of sewer connection charges in the Tax Court under the refund statute;
- The voluntary payment doctrine did not apply to preclude assignee from seeking a refund of sewer connection charges; and
- Statute that generally set forth the jurisdiction of the Maryland Tax Court did not indirectly limit the scope of refund statute.

Assignee of builder, who paid certain sewer connection charges to town, could seek a refund of sewer connection charges in the Tax Court under the refund statute. The text of the refund statute did not limit its scope to taxes, the placement of the refund statute in the Maryland Code did not suggest a limitation on its scope as other provisions related to taxes, impact fees, and user fees, and the legislative history of the statute indicated that the General Assembly did not intend to limit the refund statute to taxes or to require fine distinctions about what other charges or fees imposed by a local government could be equated to taxes.

The voluntary payment doctrine did not apply to preclude assignee from seeking a refund of sewer connection charges. Assignee could seek a refund under the refund statute, and the refund statute was an exception to the voluntary payment doctrine.

The principle of ejusdem generis did not require a narrow construction of the refund statute by qualifying the general terms of “fee,” “charge,” “interest,” or “penalty” by the term “tax,” thereby limiting the Tax Court’s jurisdiction to tax matters, and thus the Tax Court had jurisdiction over assignee’s appeal of the denial of its claim for a refund of sewer connection charges. The principle of ejusdem generis was a rule of construction and could not be used to defeat legislative intent, and the legislature intended the refund statute to be applied broadly to every type of tax, fee, or charge improperly collected by a Maryland governmental entity.

Statute that generally set forth the jurisdiction of the Maryland Tax Court did not indirectly limit the scope of refund statute. The refund statute did not limit claims to taxes, it permitted a claimant to appeal the denial of an application for a refund related to fees, charges, or taxes, in stating that a refund claimant “may appeal” to the Tax Court, the refund statute did not limit jurisdiction of the Maryland Tax Court to tax refund claims, and the legislative history of the Tax Court and the refund

statute confirmed that the Tax Court's appellate jurisdiction is co-extensive with the various types of refund claims authorized by the refund statute.