

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 1397  
Ways and Means

(Delegate McMillan, *et al.*)

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Property Tax Appeals - Method of Calculating Assessment - Provision to  
Taxpayers

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This bill requires the State Department of Assessments and Taxation (SDAT) to provide, in addition to other specified information, all calculations used to derive a property assessment, including any mathematical equation or formula, to a person making an appeal of a property valuation assessment. The information must be provided at least 14 days before the appeal hearing.

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Fiscal Summary

**State Effect:** The bill codifies existing practice regarding the appeals process for property assessments. SDAT advises that assessment worksheets already contain mathematical calculations used in determining real property assessments.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law:** For a hearing before a supervisor that relates to the value of property, the person making the appeal must receive from SDAT the assessment worksheet or card for the property that is the subject of the appeal and the sales analysis for the neighborhood or property type of the property that is the subject of the appeal at least 14 days before the hearing. SDAT must provide this information free of charge.

If a person making an appeal at the scheduled hearing indicates that SDAT has not provided the required information, SDAT must immediately provide the information. If a person

making an appeal receives the required information for the first time on the date of the scheduled hearing, the hearing may be rescheduled, at the option of the person making the appeal, to a date that is 14 or more days after the previously scheduled hearing date.

**Background:** The assessment appeal process typically begins with an appeal of the notice of assessment. These notices are mailed in late December, and an appeal may be filed with the supervisor of assessments within 45 days of the date of the notice; for properties that transfer after January 1 but before the beginning of the taxable year, the new owner has 60 days from the date of transfer to file an appeal regarding the property value or classification. Following that appeal, the property owner receives a final notice. If the taxpayer is not satisfied with the outcome, the next appeal must be made to the Property Tax Assessment Appeals Board within 30 days from the date of the final notice. A further appeal may be taken to the Maryland Tax Court within 30 days of receiving notice from the board. Any further appeals are made through the judicial system, including the circuit court, the Court of Special Appeals, and the Court of Appeals.

Under current law, real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from SDAT value each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; (4) a prior erroneous assessment; (5) a residential use assessment is terminated; or (6) a subdivision occurs. The assessor determines the current “full market value” of the property, and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Tax Court; Property Tax Assessment Appeals Board; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2017  
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