

SENATE BILL 782

Q1

11r2568
CF 11r2569

By: **Senator Hayes**

Introduced and read first time: February 5, 2021

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Department of Assessments and Taxation – Real Property Assessments**
3 **and Appeals**

4 FOR the purpose of requiring the State Department of Assessments and Taxation to
5 publish on the Department’s website certain information in a certain manner
6 relating to the assessment process and methodology used by the Department in
7 determining the value of real property; requiring the Department and certain
8 assessors employed by the Department, when determining the value of real property,
9 to conform to certain federal guidelines, consider certain matters, and provide
10 certain information; altering the minimum value of property improvements required
11 for a certain revaluation of the property by the Department during a certain 3–year
12 cycle; allowing certain authorities authorized to hear property tax appeals to
13 consider certain criteria when hearing an appeal that relates to the valuation of real
14 property; and generally relating to the State Department of Assessments and
15 Taxation, property assessments, and appeals.

16 BY adding to
17 Article – Tax – Property
18 Section 2–218.1
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2020 Supplement)

21 BY repealing and reenacting, with amendments,
22 Article – Tax – Property
23 Section 8–104(a) and (c)(1) and 14–516
24 Annotated Code of Maryland
25 (2019 Replacement Volume and 2020 Supplement)

26 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
27 That the Laws of Maryland read as follows:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Article – Tax – Property

2-218.1.

THE DEPARTMENT SHALL PUBLISH ON THE DEPARTMENT'S WEBSITE A PLAIN LANGUAGE DESCRIPTION OF THE FOLLOWING:

(1) THE METHODOLOGY APPLIED IN THE VALUATION AND ASSESSMENT PROCESS;

(2) ANY ADJUSTMENTS IN VALUE THAT AN ASSESSOR IS AUTHORIZED TO MAKE;

(3) THE CRITERIA USED TO DETERMINE THE DEPRECIATION VALUE OF REAL PROPERTY;

(4) THE CIRCUMSTANCES UNDER WHICH THE DEPARTMENT IS REQUIRED TO REVALUE REAL PROPERTY IN ANY YEAR OF A 3-YEAR CYCLE; AND

(5) ANY OTHER FACTORS RELEVANT TO THE VALUATION OF REAL PROPERTY BY THE DEPARTMENT.

8-104.

(a) (1) Real property shall be valued separately for:

[(1)] (I) the land; and

[(2)] (II) the improvements on the land.

(2) IN DETERMINING THE VALUE OF REAL PROPERTY UNDER THIS SECTION, THE DEPARTMENT, INCLUDING ANY PROFESSIONAL ASSESSORS EMPLOYED BY THE DEPARTMENT UNDER § 2-107 OF THIS ARTICLE, SHALL:

(I) CONFORM TO THE "REAL PROPERTY VALUATION GUIDELINES" ISSUED BY THE INTERNAL REVENUE SERVICE UNDER PART 4 OF THE INTERNAL REVENUE MANUAL;

(II) CONSIDER THE APPROPRIATENESS OF THE VALUATION WITH RESPECT TO:

1. THE SPECIFIC PROPERTY; AND

1 **2. THE QUANTITY, VERACITY, AND RELIABILITY OF THE**
2 **DATA SUPPORTING THE VALUATION; AND**

3 **(III) PROVIDE A LOGICAL AND REASONED EXPLANATION OF THE**
4 **VALUATION AND THE RELIABILITY OF THE VALUATION, INCLUDING A REASONABLE**
5 **JUSTIFICATION FOR APPROACHES TAKEN OR NOT TAKEN IN MAKING THE**
6 **DETERMINATION.**

7 (c) (1) In any year of a 3-year cycle, real property shall be revalued if any of
8 the factors listed below causes a change in the value of the real property:

9 (i) the zoning classification is changed at the initiative of the owner
10 or anyone having an interest in the property;

11 (ii) a change in use or character occurs;

12 (iii) substantially completed improvements **OR RENOVATIONS** are
13 made which add at least [~~\$100,000~~] **\$50,000** in value to the property;

14 (iv) an error in calculation or measurement of the real property
15 caused the value to be erroneous;

16 (v) a residential use assessment is terminated pursuant to § 8-226
17 of this title; or

18 (vi) a subdivision occurs. For purposes of this subsection,
19 “subdivision” means the division of real property into 2 or more parcels by subdivision plat,
20 condominium plat, time-share, metes and bounds, or other means.

21 14-516.

22 (a) In this section, “appeal authority” includes:

23 (1) a supervisor;

24 (2) the Department;

25 (3) a property tax assessment appeal board;

26 (4) the Maryland Tax Court; and

27 (5) any other court authorized to hear property tax appeals under this
28 subtitle.

1 **(B) IN HEARING AN APPEAL UNDER THIS SUBTITLE THAT RELATES TO THE**
2 **VALUE OF REAL PROPERTY, AN APPEAL AUTHORITY MAY CONSIDER THE FOLLOWING**
3 **CRITERIA IN MAKING ITS FINAL DECISION:**

4 **(1) THE FAIR MARKET VALUE OF THE REAL PROPERTY;**

5 **(2) THE VALUATION AND ASSESSMENT METHODOLOGY EMPLOYED BY**
6 **THE ASSESSOR;**

7 **(3) DEPRECIATION FACTORS;**

8 **(4) THE ASSESSMENT VALUE OF COMPARABLE PROPERTIES; OR**

9 **(5) ANY OTHER CRITERIA RELATED TO THE VALUATION AND**
10 **ASSESSMENT OF REAL PROPERTY.**

11 **[(b)] (C)** (1) Subject to paragraph (2) of this subsection, within 30 days after
12 the Department provides notice to a tax collector to whom property tax was paid that an
13 appeal authority has issued a decision that reduces the assessed value of property, the tax
14 collector shall pay to the taxpayer a full refund of the excess tax paid.

15 (2) The notice required under paragraph (1) of this subsection shall include
16 a list of all properties for which an appeal authority has calculated that a taxpayer is due
17 a refund as a result of a decision by the appeal authority to reduce the assessed value of
18 the property.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
20 October 1, 2021.