



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 1252

DATE: February 27, 2020

SPONSOR: Delegates Solomon, Korman, and P. Young

ASSIGNED TO: Ways and Means

CONTACT PERSON: Melanie Wenger (melanie.wenger@montgomerycountymd.gov)

POSITION: SUPPORT (Department of Finance)

Property Tax – Appeals of Assessments – Commercial Real Property

House Bill 1252 extends from 45 to 180 days the time for a taxpayer, county, municipal corporation or the Attorney General to appeal a commercial real property assessment. Montgomery County's Finance Department supports this bill. The extra 135 days could prove helpful if additional research is necessary and to consider whether appealing an assessment is justified.

Currently, the County has approximately 12,479 commercial properties within its borders. Typically, the key determinant when considering appeals is whether a significant discrepancy exists between a property's sale price and its assessed value. Assessed values may also reflect how much income is generated from the property and its replacement cost. By law, the County cannot access tax information to consider whether an assessment fairly reflects income generation, nor could it know about a property's replacement cost. This limits the field of interest. Coupled with significant improvements in the State Department of Assessments and Taxation computerized assessment system which has improved the quality of assessments, Montgomery County's number of commercial property assessment appeals filed each year is quite low.

That said, House Bill 1252 reflects a modification to current law that may be very helpful to those subdivisions that file a fair number of appeals each year. Further, at any time, the landscape may change in Montgomery County and the number of appeals could begin to multiply. Therefore, the Montgomery County Finance Department supports this bill and the additional flexibility it would offer. Accordingly, it requests the Committee to advance this legislation.