



House Bill 1252

Property Tax - Appeals of Assessments - Commercial Real Property

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: February 27, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** HB 1252. This bill extends the time period in which a county may appeal a commercial real property tax assessment from 30 days to 180 days. This bill makes meaningful progress toward eliminating a means of tax evasion that benefits commercial property owners at the expense of other property owners and taxpayers.

Under current law, the Maryland State Department of Assessments and Taxation sets the value of each parcel of real property every three years through an assessment process. Unlike commercial property owners, county governments cannot file “out-of-cycle” appeals – which are appeals in the two years in which a property is not reassessed.

The bill provides a more reasonable window for counties to appeal commercial property assessments, which is necessary because commercial property values often change between reappraisals. This effect is most noticeable when a property is approaching completion – where a three-year delay in properly capturing a property’s use and income stream means an unfairly undervalued asset on the tax rolls.

This bill authorizes counties to submit a written appeal to the Supervisor of Assessments regarding a commercial real property assessment within 180 days of the assessment notice. In addition, a county may appeal a final value or classification in the notice of assessment to the property tax assessment appeal board where the property is located within 180 days from the date of the notice.

Through a reasonable window of time for these adjustments, HB 1252 ensures a more equitable system for all taxpayers. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on HB 1252.