

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

House Bill 435

(Delegate Cardin, *et al.*)

Ways and Means

Budget and Taxation

Property Tax - Special Assessments - Damaged or Destroyed Real Property

This bill extends the special assessment of damaged or destroyed real property to all real property other than that used for commercial purposes.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: None. The bill would not materially affect State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: If a residential property is damaged or destroyed due to a natural occurrence and that property is not removed from the tax rolls, the assessment cannot increase out of the regular three-year assessment cycle if that property is replaced by an improvement of equal value.

State Fiscal Effect: The bill expands current law to include all noncommercial properties such as farms and certain condominiums and provides explicit clarification that the bill applies to property improvements of comparable size, quality, construction, and utility.

Often, property owners advise the Department of Assessments and Taxation (SDAT) if their property has been destroyed or significantly damaged. SDAT receives a permit when the property is repaired or rebuilt. SDAT does not visit the property until its regular reassessment unless the permit is significant (over \$50,000 in value). SDAT currently removes damaged property from the tax rolls on a monthly basis (Chapter 65 of 2003). As a result, the bill should have no effect on State or local revenues.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - February 9, 2004
mh/hlb Revised - House Third Reader - March 29, 2004

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