
By: **Delegates Gilleland and Boschert**
Introduced and read first time: January 25, 2006
Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Assessments - 4-Year Assessment Cycle**

3 FOR the purpose of changing the triennial assessment cycle for real property for
4 property tax purposes to a 4-year assessment cycle; and generally relating to
5 the valuation and assessment of real property for property tax purposes.

6 BY repealing and reenacting, with amendments,
7 Article - Tax - Property
8 Section 1-402(9) and (11), 2-203(a), 8-103(a), 8-104(b) and (c), and 8-401(c) and
9 (d)
10 Annotated Code of Maryland
11 (2001 Replacement Volume and 2005 Supplement)

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

14 **Article - Tax - Property**

15 1-402.

16 Property owners in this State have the following rights:

17 (9) after an appeal hearing, the right to:

18 (i) not have an assessment increased during the current [3-year]
19 4-YEAR cycle because of information ascertained at an appeal hearing on residential
20 property; and

21 (ii) a reinspection of a property, upon request, to review updated
22 information revealed during an appeal hearing that could result in a decreased
23 assessment;

24 (11) the right to file a petition for review within any year of the [3-year]
25 4-YEAR assessment cycle, as provided in § 8-415 of this article;

1 2-203.

2 (a) (1) The Department shall continually review all real property
3 assessments to provide a review of each assessment at least once in each [3-year]
4 4-YEAR cycle.

5 (2) If any assessment has not been reviewed during a [3-year] 4-YEAR
6 cycle, the Department may order a review of the assessment at any time.

7 8-103.

8 (a) (1) In this section the following words have the meanings indicated.

9 (2) "New statewide value" means the phased in value of all real property
10 subject to property tax on January 1 preceding any taxable year, excluding the phased
11 in value of real property assessed for the 1st time during the calendar year beginning
12 on that January 1.

13 (3) "Phased in value" means for the 1st, 2nd, [or] 3rd, OR 4TH year of a
14 [3-year] 4-YEAR cycle:

15 (i) the prior value of real property increased by [one-third,
16 two-thirds] ONE-FOURTH, TWO-FOURTHS, THREE-FOURTHS, or the full amount by
17 which the value increased over the prior value based on a physical inspection of the
18 real property; or

19 (ii) if the value of real property has not increased, the value
20 determined in the most recent valuation.

21 (4) "[3-year] 4-YEAR cycle" means a continuous series of [3] 4 calendar
22 year periods beginning for each period with the 1st calendar year after the calendar
23 year in which a physical inspection of real property is made under § 8-104(b) of this
24 subtitle.

25 8-104.

26 (b) (1) Notwithstanding a revaluation under subsection (c) of this section,
27 the Department or supervisor shall value all real property once in every [3-year]
28 4-YEAR cycle based on an exterior physical inspection of the real property.

29 (2) The date of finality for real property that is valued under this
30 subsection is the January 1 immediately before the 1st taxable year to which the
31 assessment based on the new value is applicable.

32 (c) (1) In any year of a [3-year] 4-YEAR cycle, real property shall be
33 revalued if any of the factors listed below causes a change in the value of the real
34 property:

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

- 1 (ii) a change in use or character occurs;
- 2 (iii) substantially completed improvements are made which add at
3 least \$50,000 in value to the property;
- 4 (iv) an error in calculation or measurement of the real property
5 caused the value to be erroneous;
- 6 (v) a residential use assessment is terminated pursuant to § 8-226
7 of this title; or
- 8 (vi) a subdivision occurs. For purposes of this subsection,
9 "subdivision" means the division of real property into 2 or more parcels by subdivision
10 plat, condominium plat, time-share, metes and bounds, or other means.

11 (2) When real property is revalued under this subsection, the
12 Department or supervisor shall:

- 13 (i) determine the value that would have resulted if the revaluation
14 had occurred for the 1st year of the [3-year] 4-YEAR cycle;
- 15 (ii) determine the value that would have resulted if the revaluation
16 had occurred for the 1st year of the preceding [3-year] 4-YEAR cycle; and
- 17 (iii) adjust the phased-in value for each of the years remaining in
18 the [3-year] 4-YEAR cycle to reflect the change that results from the revaluation.

19 (3) The Department or supervisor shall revalue real property under
20 subparagraphs (i), (ii), (iv), (v), and (vi) of paragraph (1) of this subsection on the
21 semiannual date of finality. The revaluation shall be effective for the taxable year
22 beginning on the semiannual date of finality, if the notice under this title is sent no
23 later than 30 days after the semiannual date of finality.

24 (4) The Department or supervisor shall revalue real property under
25 subparagraph (iii) of paragraph (1) of this subsection on the date of finality,
26 semiannual date of finality, or quarterly date of finality following the substantial
27 completion of the improvements to land.

28 8-401.

29 (c) The notice for subsection (b)(1) of this section shall include:

- 30 (1) the amount of the current value;
- 31 (2) the amount of the proposed value including a statement that the total
32 amount of the proposed value is the value for purposes of appeal;
- 33 (3) the amount of the proposed value that will be the basis for the
34 assessment in each year of the [3-year] 4-YEAR cycle;
- 35 (4) a statement:

- 1 (i) indicating the right to appeal; and
- 2 (ii) briefly describing the appeal process and the property owner's
- 3 bill of rights; and

4 (5) a statement that valuation records are available as provided by §
 5 14-201 of this article.

6 (d) In the instance of notices required in subsection (b)(2), (3), (4), and (5) of
 7 this section, the notice shall include:

- 8 (1) the amount of the current value;
- 9 (2) the amount of the proposed or final value;
- 10 (3) the amount of the proposed value that is the basis for the assessment
- 11 in the applicable years of the [3-year] 4-YEAR cycle;
- 12 (4) a statement:

- 13 (i) indicating the right of appeal; and
- 14 (ii) briefly describing the appeal process and the property owner's
- 15 bill of rights; and

16 (5) a statement that valuation records are available as provided by §
 17 14-201 of this article.

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
 19 October 1, 2006.