

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1537

(Chair, Ways and Means Committee)

(By Request – Departmental – Assessments and Taxation)

Ways and Means

Budget and Taxation

Real Property Assessments - Assessment Notice - Requirements

This departmental bill clarifies when assessment notices are sent with regards to a prior valuation of real property after specified changes have been made to a property.

The bill takes effect June 1, 2008.

Fiscal Summary

State Effect: None. The bill codifies current assessment practices.

Local Effect: None.

Small Business Effect: The State Department of Assessments and Taxation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from SDAT physically inspect each property every three years. Section 8-104 of the Tax-Property Article provides that in any year of a three-year cycle, real property must be revalued if any of the following factors cause a change in the value of the real property • the zoning classification is changed at the initiative of the owner or anyone having an interest in the property; • a change in use or character occurs; • substantially completed improvements are made which add at least \$50,000 in value to the property; • an error in calculation or measurement of the real property caused the value to be erroneous; • a residential use

assessment is terminated under specified circumstances; or • a subdivision occurs. However, Section 8-401 requires that a change to a prior valuation be made on the semi-annual date of finality or any other specified date occurring after the change to the property.

The bill would conform Section 8-401 to Section 8-104, and would codify current practice with regards to assessment notifications.

Background: Exhibit 1 shows the number of real property out-of-cycle reassessment notices sent in fiscal 2005 through 2007.

Exhibit 1
Number of Nonreassessment Notices Sent
Fiscal 2005-2007

County	FY 2005	FY 2006	FY 2007
Allegany	1,196	1,566	1,465
Anne Arundel	7,156	6,301	9,938
Baltimore City	7,306	7,210	5,824
Baltimore	10,606	10,192	8,427
Calvert	3,066	3,109	1,956
Caroline	1,679	924	1,374
Carroll	3,303	3,008	3,489
Cecil	2,734	2,335	2,277
Charles	3,249	3,304	4,356
Dorchester	2,145	1,430	1,904
Frederick	18,045	5,021	4,880
Garrett	2,054	2,373	1,964
Harford	5,379	6,373	4,013
Howard	4,409	4,776	3,684
Kent	782	631	688
Montgomery	12,687	16,192	12,013
Prince George's	14,612	13,118	12,745
Queen Anne's	1,480	2,354	1,852
St. Mary's	2,893	3,319	2,895
Somerset	771	1,149	809
Talbot	1,332	1,248	1,223
Washington	3,952	3,253	2,694
Wicomico	2,243	3,070	2,283
Worcester	3,042	3,202	5,433
Total	116,121	105,458	98,186

Source: State Department of Assessments and Taxation

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): State Department of Assessments and Taxation, Property Tax Assessment Appeals Board, Department of Legislative Services

Fiscal Note History: First Reader - March 13, 2008
mll/hlb

Analysis by: Michael Sanelli

Direct Inquiries to:
(410) 946-5510
(301) 970-5510