

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE

House Bill 959 (Delegate McMillan)
Ways and Means

Real Property Tax - Phased In Value - Definition

This bill clarifies that, for purposes of certain provisions of law concerning assessments of real property, the definition of “phased in value” means the value determined in the most recent valuation if the value of the property has decreased or not increased.

The bill takes effect June 1, 2015, and applies to taxable years beginning after June 30, 2015.

Fiscal Summary

State Effect: None. The bill does not affect State operations or finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Real property is valued and assessed once every three years by the State Department of Assessments and Taxation. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from the department physically inspect each property every three years. No adjustments are made in the interim, except in certain cases including (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; or (4) a prior erroneous assessment. The assessor determines the current “full market value” of the property and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

Additional Information

Prior Introductions: HB 703 of 2014 received a hearing in the House Ways and Means Committee, but no further action was taken.

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 - February 20, 2015
md/hlb

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