

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 510
Ways and Means

(Delegate McConkey, *et al.*)

Property Tax - Assessments and Valuations of Real Property - Appeals

This bill requires specified appellate bodies to examine whether and ensure that real property assessments or valuations adhered to generally accepted appraisal methods when considering real property valuation or assessment appeals.

The bill takes effect June 1, 2017.

Fiscal Summary

State Effect: None. The bill’s changes are procedural in nature and can be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: State law requires real property to be 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 the State Department of Assessments and Taxation (SDAT) are supposed to physically inspect each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; (4) a prior erroneous assessment; (5) a termination of a residential use assessment; or (6) a subdivision occurs. 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.

There are three levels in the appeals process that property owners may pursue when appealing a property tax assessment. The first appeal of an assessment goes to SDAT, which determines the original assessment. To the extent a property owner receives an unsatisfactory ruling he or she may appeal to property tax assessment appeals boards, which hear appeals in matters relating to the assessment of property throughout the State. There is one board located in each county and Baltimore City, with the members appointed by the Governor for five-year terms. Further appeals may be made to the Maryland Tax Court.

SDAT reports that the department has adopted national standards for measuring property assessment quality as outlined by the International Association of Assessing Officers, and has consistently met the standard for coefficient of dispersion on a statewide basis which indicates an overall uniformity of assessments.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland Tax Court; Property Tax Assessment Appeals Board; State Department of Assessments and Taxation; Department of Legislative Services

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