

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 132

(Senator Elfreth)

Budget and Taxation

Ways and Means

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**Property Tax - Assessment Reviews - Aids in Reviewing Property**

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This bill requires the State Department of Assessments and Taxation (SDAT), upon the request of an owner of real property under review and whenever practicable, to obtain material and information pertinent to the assessing of the property from other State agencies. **The bill takes effect June 1, 2020.**

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with SDAT's existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** When reviewing real property assessments at the request of a property tax assessment appeals board (PTAAB), SDAT must use property description cards, property location maps, land classification maps, unit value maps, land use maps, zoning maps, records of new construction, sales records, building cost information, private appraisals, periodic surveys of assessment ratios, and any other material or information that the department considers to be a reliable aid in determining real property value. Under current law, SDAT is authorized to use these aids when reviewing real property assessments.

**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 value 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 residential use assessment is terminated; 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.

The assessment appeal process typically begins with an appeal of the notice of assessment. These notices are mailed in late December, and an appeal may be filed with the supervisor of assessments within 45 days of the date of the notice; for properties that transfer after January 1, but before the beginning of the taxable year, the new owner has 60 days from the date of transfer to file an appeal regarding the property value or classification. Following that appeal, the property owner receives a final notice. If the taxpayer is not satisfied with the outcome, the next appeal must be made to the appropriate PTAAB within 30 days from the date of the final notice. A further appeal may be taken to the Maryland Tax Court within 30 days of receiving notice from the board. Any further appeals are made through the judicial system, including the circuit court, the Court of Special Appeals, and the Court of Appeals.

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## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - January 21, 2020  
mr/hlb  
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