

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1518
Ways and Means

(Delegate Buckel, *et al.*)

Property Tax Assessments - 5-Year Assessment Cycle

This bill changes the State’s three-year cycle for the assessment of real property to a five-year cycle whereby the State Department of Assessments and Taxation (SDAT) will be required to assess real property once every five years instead of every three years.

Fiscal Summary

State Effect: Potential decrease in State property tax revenues as discussed below. State expenditures for real property valuation may be affected beginning in FY 2028, depending on whether expanding the assessment cycle to a five-year period reduces the annual workload for SDAT thereby resulting in a potential reduction in departmental staffing. Special fund revenues and expenditures from local government reimbursements may be affected beginning in FY 2028 depending on staffing changes at SDAT.

Local Effect: Potential decrease in local property tax revenues as discussed below. Local government expenditures for cost reimbursements may be affected beginning in FY 2028.

Small Business Effect: Minimal.

Analysis

Current Law: SDAT must value real property based on a review of each property in each three-year cycle. The review by the department must include a physical inspection of a property if (1) the value of improvements to the property is being initially established; (2) the value of substantially completed improvements is being established; (3) the property is the subject of a recent sale, and the inspection is deemed necessary by the department for purposes of market analysis; (4) the property owner requests a physical inspection as part of an active appeal; (5) the department is notified by a county finance officer that a substantially completed improvement has been made that adds at least \$1.0 million in value to the property; or (6) the department determines that a physical inspection is appropriate.

In any year of a three-year cycle, real property must be revalued if any of the following factors causes a change in the value of the real property: (1) the zoning classification is changed at the initiative of the owner or anyone having an interest in the property; (2) a change in use or character occurs; (3) substantially completed improvements are made that add at least \$100,000 in value to the property; (4) an error in calculation or measurement of the real property caused the value to be erroneous; (5) a residential use assessment is terminated; or (6) a subdivision occurs.

Any increase in full cash value (market value) is phased in equally over the next three years. All property is assessed at 100% of full cash value.

State and Local Fiscal Effect:

Effect on State and Local Revenues

Extending the assessment cycle by two years may impact the overall growth in the State and county assessable base which is used for property tax purposes. Several local governments have previously raised the concern that a five-year assessment cycle will increase the inequality of assessments and decrease the degree of accuracy of the assessment in later years as housing market conditions change. Local governments have stated that property assessments under a five-year cycle would not be as accurate because current sales data used in the reassessment process would not be considered, resulting in a considerable lag time for values to be uniform throughout the county. Also, an extended assessment cycle could result in a lag in properties being properly assessed which could have an effect on the distribution of the tax burden in the county. Finally, moving to a five-year assessment cycle will make property assessments less reflective of current market conditions which in turn will result in less overall property tax revenues.

The overall fiscal impact on State and local property tax revenues will depend on the overall housing market conditions in Maryland. As shown in **Exhibit 1**, the triennial

change in the full cash value of property has ranged from a 7.7% increase in 2018 when Group 3 properties were reassessed to a 23.4% increase in 2024 when Group 3 properties were reassessed.

Additional information on property tax assessments is provided in the [Local Government Overview Report](#), which charts the triennial change in the full cash value for each assessment group since 2017. Information on local property tax rates and revenue collections for each county government is provided in the [County Revenue Outlook Report](#).

Effect on State and Local Expenditures

In Maryland, there are approximately 2.4 million real property accounts. Currently, SDAT must assess each of these properties once every three years, resulting in about 800,000 property reassessments annually. Altering the assessment process to a five-year cycle will reduce the number of properties being reassessed to approximately 480,000 each year.

State expenditures for real property valuation may be affected beginning in fiscal 2028, depending on whether expanding the assessment cycle to a five-year period reduces the annual workload for SDAT thereby resulting in a potential reduction in departmental staffing. However, as discussed below, SDAT continues to have staffing issues due to recruitment and retention which may negate the department's ability to reduce personnel costs.

SDAT has reported high turnover and vacancies for real property assessor positions for many years, primarily due to competitive salaries for similar positions in nearby states. The lack of assessors can impact the timeliness of property assessment appeal hearings held by local Property Tax Assessment Appeals Boards due to the need for assessors to be present at these hearings. Due to high turnover among real property assessors, an annual salary review and other salary increases provided in the fiscal 2025 budget took effect in July 2024. Beginning in September 2024, there was a downward trend in the overall number of vacancies, which was primarily driven by assessor positions being filled. Openings dropped from a high of 14 assessor vacancies in August 2024 to a low of 4 in May 2025. Over this same period, assessor management vacancies hovered between 6 and 10, while other vacancies (mostly administrative positions) fluctuated between 4 and 8. However, from June to October 2025, vacancies increased substantially among real property assessors and returned to the same levels experienced before the salary increases. Other vacancies also increased, although management vacancies remained lower than average. As of December 31, 2025, assessors comprise 32% of all regular personnel (184 of 569.3) and 28% of vacancies (9 of 32); assessor managers and supervisors make up 16% of all regular personnel (92.7 of 569.3) and 16% of vacancies (5 of 32).

Chapter 604 of 2025 (Budget Reconciliation and Financing Act of 2025) increased the local cost share amount, from 50% to 90%, that Baltimore City and county governments are required to pay SDAT for costs associated with real property valuation, business personal property valuation, and information technology beginning in fiscal 2026. As a result, any change in SDAT's property valuation costs will impact local government expenditures accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Maryland Municipal League; State Department of Assessments and Taxation; Department of Legislative Services

Fiscal Note History: First Reader - March 3, 2026
js/hlb

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Exhibit 1
Triennial Change in Full Cash Value
January 2017-January 2026

County	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	Group 2	Group 3	Group 1	Group 2	Group 3	Group 1	Group 2	Group 3	Group 1	Group 2
Allegany	-0.2%	0.4%	2.4%	3.2%	5.2%	10.7%	23.5%	24.4%	31.0%	13.8%
Anne Arundel	12.4%	8.9%	7.9%	10.8%	6.0%	7.9%	17.4%	22.0%	22.0%	15.1%
Baltimore City	6.2%	3.6%	8.4%	9.1%	4.1%	6.6%	21.6%	17.9%	17.4%	10.5%
Baltimore	8.5%	6.6%	10.9%	8.1%	7.2%	11.1%	16.4%	23.3%	22.6%	12.1%
Calvert	3.8%	4.0%	7.0%	7.4%	7.0%	11.7%	18.9%	24.9%	19.4%	9.0%
Caroline	-0.8%	7.0%	11.5%	6.8%	8.9%	17.3%	23.6%	26.6%	22.6%	11.6%
Carroll	5.3%	7.1%	8.0%	6.2%	7.8%	12.9%	23.9%	23.5%	21.4%	15.8%
Cecil	6.1%	6.0%	9.5%	9.2%	5.8%	6.8%	20.7%	22.0%	24.2%	15.0%
Charles	8.3%	5.6%	12.2%	7.3%	8.6%	23.4%	29.4%	26.2%	11.9%	12.5%
Dorchester	2.1%	-5.1%	7.6%	7.9%	5.0%	11.8%	21.1%	21.0%	23.2%	11.0%
Frederick	6.3%	6.2%	10.0%	9.8%	11.0%	18.4%	29.5%	30.8%	28.6%	16.6%
Garrett	0.1%	0.2%	3.7%	4.0%	7.1%	10.0%	50.8%	44.2%	23.6%	8.6%
Harford	6.0%	4.5%	5.8%	5.6%	6.3%	9.6%	16.0%	22.0%	19.8%	10.7%
Howard	6.1%	5.9%	8.5%	8.3%	9.3%	10.8%	20.4%	20.5%	19.5%	14.8%
Kent	-0.2%	2.2%	2.3%	1.6%	4.3%	4.5%	15.1%	19.3%	19.0%	7.3%
Montgomery	7.8%	8.4%	6.9%	7.6%	9.2%	11.1%	19.7%	21.0%	17.7%	12.2%
Prince George's	13.5%	17.5%	16.8%	13.3%	13.4%	15.8%	22.7%	23.0%	16.1%	10.3%
Queen Anne's	3.6%	8.6%	3.8%	6.9%	3.0%	12.1%	24.2%	25.2%	21.6%	15.8%
St. Mary's	0.5%	2.2%	6.2%	6.9%	9.4%	14.3%	17.8%	25.9%	18.1%	10.7%
Somerset	-6.4%	0.5%	0.9%	1.2%	5.4%	12.8%	40.3%	40.5%	32.0%	9.5%
Talbot	-0.5%	-1.6%	3.9%	5.6%	2.4%	6.2%	18.4%	18.4%	22.3%	18.4%
Washington	2.2%	4.0%	6.6%	6.2%	6.8%	14.5%	26.6%	29.1%	29.3%	19.5%
Wicomico	6.4%	6.0%	11.0%	11.2%	10.1%	18.5%	24.5%	32.4%	27.4%	16.1%
Worcester	4.1%	4.3%	9.4%	4.7%	2.1%	16.5%	30.8%	46.1%	27.0%	10.1%
Statewide	8.2%	7.7%	9.1%	8.9%	8.1%	12.0%	20.6%	23.4%	20.1%	12.7%

Source: State Department of Assessments and Taxation