



February 27, 2020

**House Bill 1252**

**Property Tax - Appeals of Assessments - Commercial Real Property**

**House Ways & Means Committee**

**Position: FAVORABLE**

Anne Arundel County **SUPPORTS** House Bill 1252 - Property Tax - Appeals of Assessments - Commercial Real Property. This Bill would increase from 30 to 180 the number of days a county has to submit a written appeal of a commercial property assessment to the Supervisor of Assessments.

Anne Arundel County has approximately 7,280 commercial properties with a total FY20 taxable assessable base of \$13.1 billion. At the FY20 tax rate of \$0.935/per \$100 assessment, commercial property tax revenue is approximately \$122.8 million. Based on a comparison of the last transaction price and the county assessed value, approximately 10% to 15% of commercial properties could be examined more closely to determine whether an appeal is appropriate. This is based on an examination of 3% to 5% of properties annually due to the rotating triennial valuation schedule. A number of properties may not merit appeal when additional information may indicate their assessed value is accurate, or the difference between the actual and assessed value is de minimis.

Anne Arundel County also has a tax cap limiting growth of total property tax revenues to the lesser of the increase in the Consumer Price Index or 4.5%. Thus any increase in commercial property tax revenue would not increase overall property tax revenue, but rather would proportionally reduce residential property taxes. For example, if the county realized an additional \$1 million in commercial property tax revenue through these appeals, residential property taxes would be reduced by \$5/property. Therefore, increasing the time for appeals of commercial properties to ensure that more property tax assessments accurately reflect the actual value of a property will promote fairness among all taxpayers, both commercial and residential, in Anne Arundel County.

Accordingly, Anne Arundel County requests a **FAVORABLE** report on House Bill 1252.