



Montgomery County

Office of Intergovernmental Relations

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SB 174

DATE: January 25, 2021

SPONSOR: Chair, Budget and Taxation Committee (By Request - Departmental - Assessments and Taxation)

ASSIGNED TO: Budget and Taxation

CONTACT PERSON: Kathleen Boucher (kathleen.boucher@montgomerycountymd.gov)

POSITION: Unfavorable

Property Tax Assessments – 5-Year Assessment Cycle

This bill requires the State Department of Assessments and Taxation to move from a three-year real property assessment cycle to a five-year cycle. This change will result in longer periods between the reassessment of real property and will cause an increase in the inequality of assessments and a decrease in the accuracy of the assessments in years four and five.

Montgomery County typically has a very active sales market upon which to base revised assessed values. To the extent that the sales data used to assess real property lags behind the most current sales data, the assessment becomes less equitable and accurate. This bill would also have a negative impact on the property tax assessment process because the County may only appeal the first reassessment of property after it is sold. As an example, for a property that is inaccurately reassessed in 2020 and sold in 2021, this bill would delay the County's ability to appeal the reassessment from 2023 (current law) to 2025.

Montgomery County respectfully respects that the Senate Budget and Taxation Committee give the bill an unfavorable report.