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HEARING DATE: January 17, 2024

BILL: HB0020

TITLE: Real Property Assessments – Revaluation of Property on Transfer After Appeal.

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation supports House Bill 20 - Real Property Assessments – Revaluation of Property on Transfer After Appeal. If, within one year of a property's assessed value being reduced due to an appeal, that property is sold for a greater amount than the pre-appeal value, this legislation would require SDAT to initiate a mid-cycle reassessment of that property.

The Department carefully considers evidence presented by property owners appealing their assessments. However, when an assessment is lowered on appeal, then sold at a price higher than the pre-appealed assessment, the Department may be unable to reevaluate the assessment and consider the inconsistent sale price until the next assessment cycle. As a result, properties may remain undervalued for three years, resulting in significant losses in revenue for local jurisdictions throughout the State.

House Bill 20 would allow the Department to reassess a property that received a reduced assessment following appeal if the property sold for a greater amount than the pre-appeal assessment. This legislation would further the Department's mission of ensuring real property assessments are accurate and up to date.

Accordingly, the Department respectfully requests a **FAVORABLE** report on House Bill 20.