



## **Senate Bill 735**

### *Property Tax - Petition to Review Value of Commercial Real Property*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: March 3, 2026

From: Kevin Kinnally and Sarah Sample

The Maryland Association of Counties (MACo) **SUPPORTS** SB 735. This bill authorizes a county or municipality to file a petition for review of the assessed value of specified commercial real property when that property sells for at least 20% more than its prior sales price.

Under current law, only the property owner may initiate a petition for review outside of the regular reassessment cycle. Counties generally cannot file “out-of-cycle” appeals during the two years of a triennial cycle when SDAT does not schedule the property for reassessment. As a result, even when a commercial property sells at a substantially higher price, local governments may have no mechanism to seek a timely review of the assessment.

This bill provides a narrow and objective standard. When a commercial property changes hands and the transaction reflects a significant increase, the local government may request review through the existing appeals process. The bill does not alter assessment methodology, change tax rates, or affect residential property. It simply allows local governments to initiate review under defined circumstances tied to clear market evidence.

Counties rely on accurate and up-to-date commercial assessments to maintain fairness and stability in the property tax base. When large commercial properties sell for substantially higher amounts, but assessments lag, the burden shifts and inequities arise. SB 735 helps ensure assessments better reflect current market conditions and promotes consistency in tax administration.

For these reasons, MACo respectfully requests a **FAVORABLE** report on SB 735.