



## **Senate Bill 735 - Property Tax - Petition to Review Value of Commercial Real Property**

### **Position: Oppose**

Maryland REALTORS® opposes SB 735, which would allow a county or a municipal corporation to file a petition for review to appeal the assessed value of commercial real property after a sale when the total sales price is 20 percent or more than the total sales price when the property was previously sold. The bill also directs the Department to adopt procedures for this new local government-initiated petition process.

This bill creates a new layer of tax uncertainty tied directly to a transaction. Commercial real estate deals already involve underwriting, financing conditions, and cost forecasting. Allowing local governments to initiate an appeal right after a sale adds a new variable that buyers and lenders cannot reliably price at closing, particularly for smaller properties and local investors. That uncertainty can chill transactions and delay reinvestment.

Maryland REALTORS® is also concerned that the 20 percent trigger does not necessarily reflect an inaccurate assessment. A higher sale price may simply reflect market conditions or planned improvements, and a government-initiated appeal could discourage reinvestment and redevelopment.

Finally, Maryland already reassesses real property on a three-year cycle through the State Department of Assessments and Taxation, which provides a predictable reassessment framework that property owners and investors can plan around. SB 735 would add an additional government-initiated challenge immediately following a sale, creating uncertainty outside the normal reassessment timeline.

For these reasons, Maryland REALTORS® respectfully requests an unfavorable report on Senate Bill 735.

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