



CITY OF HAGERSTOWN, MARYLAND

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The Honorable Guy Guzzone
Chair, Senate Budget and Tax Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

Re: **FAVORABLE – SB 735 Property Tax - Petition to Review Value of Commercial Real Property**

Thank you for the opportunity to express written testimony in support of SB735. This legislation provides local governments with a practical, narrowly tailored tool to keep commercial property assessments fair and aligned with real-world market conditions.

In short, the bill authorizes a county or municipality to initiate an appeal through the Maryland State Department of Assessments and Taxation when a commercial property sells at least 20% more than its assessed value. A drafting error that referenced 20% of a prior sales price is being corrected through a technical amendment. As clarified, the bill targets significant gaps between assessment and market reality.

Under current law, local jurisdictions may challenge assessments only during the triennial review cycle—once every three years—while commercial property owners may appeal in any year of the cycle. This imbalance prevents local governments from responding to clear market evidence in the years between triennial reviews. SB735 restores balance by allowing a petition for review in those interim years, but only in exceptional cases where the 20% threshold is met.

When a commercial property is significantly under-assessed, the tax obligation does not disappear, it shifts. Residents may face higher tax rates or reduced public services to compensate. SB735 helps ensure that similarly situated properties are treated equitably and that the tax base reflects actual market conditions.

Importantly, the bill is carefully constrained. The 20% trigger serves as a clear guardrail, limiting out-of-cycle petitions to cases where there is strong, objective evidence that an assessment is materially out of step with the market. Local governments are closest to on-the-ground development activity and can responsibly bring timely, verifiable information into the assessment process when such disparities arise.

For these reasons, SB735 promotes fairness, fiscal stability, and transparency in Maryland's property tax system. I respectfully urge a favorable report. Thank you for your consideration.

Sincerely,

Scott A. Nicewarner
