



February 20, 2026

The Honorable Jheanelle K. Wilkins, Chair  
House Ways and Means Committee  
130 Taylor House Office Building  
Annapolis, Maryland 21401

**Unfavorable: SB 1088 – Property Tax – Petition to Review Value of Commercial Real Property**

Dear Chair, Wilkins and Committee Members:

The NAIOP Maryland Chapters represent approximately 700 companies involved in all aspects of commercial, industrial, and mixed-use real estate. On behalf of our member companies, I am writing to recommend your unfavorable report on HB 1088, legislation that would alter Maryland’s longstanding property tax appeal framework by granting counties and municipalities the authority to initiate appeals against commercial property owners under certain sales conditions.

Under current Maryland law, only the property owner may submit a petition for review of an assessment. The law explicitly states that “The owner of real property may submit a petition for review” to challenge an assessed value. This structure exists to ensure predictability, stability, and fairness by preventing government-initiated efforts to raise taxes through selective reassessment challenges.

HB 1088 breaks from that tradition by providing new authorization for a county or municipality to file a petition for review to appeal the value of commercial property when the property is sold at a price 20% or more above its previous sale. This shift is harmful for multiple reasons:

- HB 1088 effectively transforms local governments into active challengers of private market transactions. By tying an appeal right to a specific sale price threshold, the bill invites government to treat arms-length transactions as justification for targeted tax increases—an approach fundamentally at odds with Maryland’s fair-market-value assessment principles.
- The bill will destabilize commercial real estate markets at a time when many commercial real estate asset classes are already under economic pressure. Commercial buyers rely on appraisals and assessment predictability to underwrite acquisitions, secure financing, and plan long-term operations. Allowing government-initiated appeals immediately after transfer introduces uncertainty and transactional risk that will complicate efforts to stabilize buildings involved in transactions.
- HB 1088 unfairly singles out commercial property, creating a two-tiered tax system in which only one class of property is subject to government-initiated review. Residential owners would remain protected from this type of challenge, despite facing similar market fluctuations. The result is a discriminatory tax regime that places a disproportionate burden on employers, small businesses, developers, and job-supporting commercial assets.

- This legislation will increase administrative burdens, legal costs, and bureaucratic volume within the assessment appeals system. Every government-filed petition requires a formal hearing under §14-510, further straining the Department and creating more costly disputes for property owners—regardless of whether any assessment was inaccurate.

**For these reasons, NAIOP respectfully requests your unfavorable report on HB 1088.**

Sincerely,



Tom Ballentine, Vice President for Policy

NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Ways and Means Committee Members

Nick Manis – Manis, Canning Assoc.