

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 488

(Delegate Morgan, *et al.*)

Ways and Means

Budget and Taxation

Property Tax - Property Transferred to New Owner - Appeals

This bill requires a Supervisor of Assessments or the supervisor's designee to hold a hearing on a written appeal of a change in the value or classification of property that is transferred to a new owner by the later of (1) 90 days after receiving the written appeal or (2) 90 days after the deed evidencing the transfer is recorded.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: The State Department of Assessments and Taxation can handle the bill's requirements with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The assessment appeal process typically begins with an appeal of the notice of assessment. These notices are mailed in late December, and an appeal may be filed with the supervisor of assessments within 45 days of the date of the notice; for properties that transfer after January 1 but before the beginning of the taxable year, the new owner has 60 days from the date of transfer to file an appeal regarding the property value or classification. Following that appeal, the property owner receives a final notice. If the taxpayer is not satisfied with the outcome, the next appeal must be made to the Property Tax Assessment Appeals Board within 30 days from the date of the final notice. A further

appeal may be taken to the Maryland Tax Court within 30 days of receiving notice from the board. Any further appeals are made through the judicial system, including the circuit court, the Court of Special Appeals, and the Court of Appeals.

Appeals of property values may also be filed with the supervisor outside of the regular assessment cycle. Appeals may also be filed by persons who have purchased property between January 1 and June 30. Such appeals must be made within 60 days of the purchase.

Background: Under current law, real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from SDAT value each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property use; (3) extensive improvements to the property; (4) a prior erroneous assessment; (5) a residential use assessment is terminated; or (6) a subdivision occurs. The assessor determines the current “full market value” of the property and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Property Tax Assessment Appeals Board, State Department of Assessments and Taxation, Department of Legislative Services

Fiscal Note History: First Reader - February 23, 2016
kb/hlb Revised - Enrolled Bill - May 4, 2016

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