



Eric T. Costello
Baltimore City Council, 11th District

January 16, 2022

The Honorable Vanessa E Atterbeary
Chair
Ways and Means Committee
Maryland House of Delegates
House Office Building, Room 131
6 Bladen St., Annapolis, MD 21401

RE: Support for HB69 SDAT - Real Property Assessments and Appeals

Homeowners throughout the State of Maryland do not have sufficient information on how property values are calculated due to the current practices of The State Department of Assessments and Taxation (SDAT). SDAT's approach lacks transparency on its methodologies and formulas used to determine depreciation. Additionally, the independent Property Tax Assessment Appeal Board, the Maryland Tax Court, and the Maryland Circuit court cannot use any criteria other than market sales in the appeal process which limits the ability of the appeals process to come to fair and just outcomes for appellants. To Ensure fairness and transparency, SDAT needs to follow the meticulously crafted and through IRS guidelines.

House Bill 69 seeks to remedy these issues by:

- Requiring SDAT to publish plan language descriptions of its assessment process on its website to ensure that property owners understand the process;
- Mandating that SDAT and its assessors conform to the "Real Property Valuation Guidelines" issued by the IRS under Part 4 of the Internal Revenue Manual to ensure both fairness and transparency in real property evaluations;
- Lowering the minimum value of property improvements or renovations that trigger a mid-cycle revaluation from \$100,000 to \$50,000 to promote economic inclusivity; and
- Allowing an appeal authority to consider criteria other than market sales in the appeal process to ensure a just outcome for appellants.

These changes are necessary to ensure that the real property assessment and appeals processes are equitable and just. HB69 will establish a transparent assessment process and will give property owners the tools they need to seek remedy from unfair property assessments. For these reasons, I strongly urge a favorable report on HB69.

Should you have questions, please feel free to contact me directly at eric.costello@baltimorecity.gov or 410-396-4816.

Sincerely,

A handwritten signature in black ink that reads "Eric T. Costello".

Eric. T. Costello
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