



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director

October 19, 2021

To Whom It May Concern:

Recently, the Montgomery County Real Property office for the Maryland Department of Assessments and Taxation (SDAT) has been questioned about the potential impact on assessment values related to proposed zoning code changes for land use in Montgomery County. However, SDAT cannot make assumptions or predictions regarding assessment outcomes related to of any kind of zoning code changes being considered by the Montgomery County Planning Department.

SDAT is responsible for assessing the value of property within the State of Maryland. Local County Governments and Municipalities then set their tax rates and apply it to our assessment valuations to generate property tax bills. Montgomery County is divided into three reassessment groups and currently reassesses each group on a three-year cycle, and SDAT analyzes market sales data during a reassessment cycle to determine the property's value change. We use verified sales for comparable properties of a similar use, type, and style that are in a comparable neighborhood or market area to determine the assessed values of properties. SDAT also reassesses properties out of cycle when they have had a use change or recent new construction resulting in an increase in assessment adding over \$100,000 in value.

If a property were to be redeveloped by plat and subdivide lots, or were to change in use to create a multi-family unit on the parcel, the immediate change would only directly impact that particular parcel. However, if properties are acquired at lower or higher purchase prices over time and the comparable sales warrant a decrease or increase in the assessed value of those similar properties upon the next reassessment cycle, it may indirectly impact the assessments for similar properties in that market area. Property that is reassessed and is owner occupied and eligible for any applicable Homestead Tax Credits or Homeowners Tax Credits may continue to receive those credits.

In sum, the zoning code changes proposed by Montgomery County that are under consideration allowing for multiple living units or more development potential in single-family zones may or may not result in changed assessed value for properties subject to that change. SDAT can only follow the market trends after they occur. Local governments may offset any change in assessment by the implementation of their local property tax rates.

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I hope this information is useful for the Montgomery County Department of Planning. Please do not hesitate to contact me should your team have additional questions or concerns.

Regards,

A handwritten signature in black ink that reads "Ava M. Garvey". The signature is written in a cursive, flowing style.

Ava McIntyre-Garvey
Supervisor of Assessments
Montgomery County

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