



State of Maryland

**DEPARTMENT OF ASSESSMENTS AND TAXATION**

Office of the Director

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**Assessment Notices Reflect Change in Market Since 2008**

Assessment notices mailed today to 737,423 property owners across the State reflect another large decrease in real estate values for residential properties in Maryland. This group of properties was last valued in 2008. Over the past three years, residential property values in this group have experienced a decline in value with 91% of them decreasing. On average, the residential values in this group being reassessed decreased by 17%. Commercial property values showed a decrease in 18 of the 24 subdivisions but an overall average increase of 1% statewide.

Within the notices mailed, residential property owners being reassessed this year will receive a Homestead Tax Credit Eligibility Application if they have not already applied. The purpose of the application is to certify a homeowner's principal residence and to ensure the property owner's continued eligibility for this credit.

Eligible residential property owners receive a Homestead Tax Credit that limits the assessment to which local tax rates are applied. This taxable assessment, as reduced by the Homestead Credit, is listed on page 3 of the notice in boxes 1, 2, and 3. This reduced taxable assessment lessens the impact of past rising property values and assessments for homeowner occupied properties that experienced increases in prior years. The Homestead Tax Credit is a State law which mandates that all taxable assessment increases for homeowner occupied properties cannot increase by more than 10 percent per year and by a lesser percentage if chosen by the county government. **See chart R-1** for individual County Homestead percentages.

In Maryland, properties are reassessed by law once every three years. Properties are required to be assessed at their current market value so that all property owners pay only their fair share of local property taxes. The properties being reassessed were last valued for the 2009 tax year. The new assessments are based upon the examination of 48,008 sales which have occurred in the reassessment area over the past three years. Any increase in property values is "phased-in" equally over the next three years. Any decrease is fully implemented in the first tax year and remains at the reduced assessment for the full three year cycle.

Residential property values decreased across the state. More than 90% of the residential properties were reduced in this reassessment area.

The assessment only partially determines a property owner's tax bill. Ultimately, next July's tax bill will be calculated with the tax rates which local governments will set in the spring. As part of the budgetary process, the property tax rates are established by the revenue requirements of each local government. Local governments may offset assessment increases by lowering their tax rates to the "constant yield" tax rate level. The constant yield tax rate provides local governments with a stable level of property taxes from one year to the next.

For further information, contact the State Department of Assessments and Taxation at 410-767-1184. Extensive reassessment data and information is available from the Department's website at [www.dat.state.md.us](http://www.dat.state.md.us).