

Assessments

A recent article on rising assessments of the value of real property in the Murray Hill neighborhood (The Capital, Jan. 24) noted that I was “looking into the matter.”

Assessing property is a function of the state government. The City council’s role is setting a limit on increases in assessments and setting the tax rate as part of the budget process.

Under state law, all property is assessed at “market value.” For residential property, this means comparable sales. Property owners who wish to contest the assessed value may appeal for a review.

State law provides that increases in assessed values are implemented over a three-year period. State law also imposes a 10 percent cap on the annual increase in assessed value.

However, local governments can impose a lower cap. Anne Arundel County has a 2 percent annual cap. A recent attempt to lower the cap in Annapolis from 10 percent to 5 percent failed in the City Council.

A property owner’s tax liability is determined by applying the tax rates set by the City Council, the County Council and the state Board of Public Works to the assessed value of the property. In a matter of weeks, Mayor Ellen O. Moyer will submit a proposed budget for 2010 to the council that includes a recommended tax rate.

When assessed values are rising local governments frequently keep the tax rate the same as in the previous year. The result is a windfall of new revenue.

I suggest that those who seek to limit or reduce their property tax liability appeal assessments recommend specific reductions in proposed expenditures in the budget and testify at the public hearing.

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