

GERALD T. & ELIZABETH H. MCALLISTER*

IN THE

vs.

MARYLAND TAX COURT

SUPERVISOR OF ASSESSMENTS
FOR WORCESTER COUNTY

No. 21-RP-**WO**-0468

MEMORANDUM AND OPINION

This is an appeal from the decision of the Property Tax Assessment Appeals Board for Worcester County, Maryland, wherein the Board placed a full cash value on the subject property, as of the January 1, 2021, date of finality, of \$905,200. The subject property (hereinafter "property") is a 6,500 square foot canal front lot improved by a 4,207 square foot, two and a half story dwelling, containing five and one half bathrooms said to have been built in 2000. The property is located at 310 North Heron Gull Court, in the Heron Harbor neighborhood in Ocean City, Maryland.

The Petitioner, Mr. McAllister testified that he and his wife purchased the subject property for \$740,000 in 2011. He stated he received an assessment notice four months after the sale, assessing the property for \$817,000. The Petitioners appealed that assessment and the same was reduced to \$720,000. Mr. McAllister employed two approaches to value for the subject property. In his first approach, he reviewed the percentage change in assessments for six properties in the subject property's block for each triennial assessment period dating from 2012 through 2021. He then averaged those increases to arrive at an average increase in those assessments of 13%. Mr. McAllister then averaged his property's assessment for the same time period and arrived at a 31.3%

increase in assessed value. He then applied a 13% increase to his homes 2012 assessment and arrived at a value for his home of \$813,500.

In his second approach to value, Mr. McAllister reviewed the Supervisor of Assessment's CAMA residential cost grades. He testified his house is listed as a grade 6, generally described as very good. He believed that his house should have been given a grade 5 designation, generally described as good. The Petitioner believed the quality of his improvements were generally inferior to other properties in his neighborhood which carried a grade 6 designation.

Ms. Abigail R. Lagonigro testified on behalf of the Respondent. Ms. Lagonigro employed the sales comparison approach to value. She examined 4 sales, 2 of which were located on the 300 block of North Heron Court. The sale date ranged from January 2018 to March 2020. The size of the houses of these comparable sales were all smaller than the subject. Their sales prices ranged from \$925,000 to \$1,247,500. On this basis, Ms. Lagonigro believed the full cash value of the subject property was supported.

Maryland Courts recognize three approaches to valuing real property. They are the comparable sales approach, the cost approach and the income approach. The income approach reviews income producing property and is not used in residential valuation. The cost approach is sometimes utilized but is less accurate when the improvements are older, as there may be arguments concerning the proper amount of depreciation to be applied. The comparable sales approach to valuation of residential property is universally recognized as the proper approach to value. The Petitioner attempts to meet their burden of proof by utilizing an average increase of assessed values of other homes in their neighborhood and apply that average to their first assessment. Petitioner's

next attempt to meet their burden of proof is to apply a grade 5 designation to their improvements, which Petitioner's believe will result in a similar figure as their first approach to value. This Court has never accepted an averaging of assessments as a recognized approach to valuing real property.

The burden of proof is upon the Petitioners to prove by affirmative and persuasive evidence that the opinion of value expressed by the Respondent is incorrect and the Petitioners' opinion of value is correct relative to the date of finality. Therefore, this Court finds that this 15th day of July 2022, that the Petitioners failed to meet their burden of proof and the decision of the Property Tax Assessment Appeals Board for Worcester County is hereby **AFFIRMED**.

CC: Gerald T. & Elizabeth H. McAllister
Jeffrey G. Comen, Esq.
Julie Greene, Administrator

CERTIFIED TRUE COPY
TEST: John T. Hearn, Clerk

NOTICE: You have the right of appeal from the above Order to the Circuit Court of any County or Baltimore City, wherein the property or subject of the assessment may be situated. The Petition for Judicial Review **MUST** be filed in the proper Court within thirty (30) days from the date of the above Order of the Maryland Tax Court. Please refer to Rule 7-200 et seq. of the Maryland Rules of Court, which can be found in most public libraries.