

**Department of Legislative Services**  
Maryland General Assembly  
2024 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 289

(Chair, Budget and Taxation Committee)(By Request -  
Departmental - Assessments and Taxation)

Budget and Taxation

Appropriations

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**State Department of Assessments and Taxation - Office of the Director -  
Administrative Expenses**

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This departmental bill increases, from 5% to 15%, the percentage of a specified special fund that may be used for administrative expenses by the Office of the Director of the State Department of Assessments and Taxation (SDAT). **The bill takes effect July 1, 2024.**

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**Fiscal Summary**

**State Effect:** None. The bill does not affect overall funding for the Office of the Director; however, SDAT will be authorized to use additional funding from an existing special fund for certain administrative expenses.

**Local Effect:** None.

**Small Business Effect:** SDAT has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** There is a continuing, nonlapsing fund within SDAT that, subject to the appropriation process in the State budget, must be used by the department: (1) for the costs of reviewing, processing, and auditing specified documents that are filed or requested; (2) to pay redemption or extinguishment amounts to former owners of ground rents redeemed or extinguished; and (3) for other costs incurred by the department to administer the provisions of the Tax – Property Article. Beginning in fiscal 2015, the department may

not use the fund to pay more than 5% of the administrative expenses of the Office of the Director.

**Background:** The department advises that the current 5% cap that is allowed for administrative expenses limits the ability to effectively address the procurement needs within the Office of the Director. The increase specified by the bill will provide additional funds for certain administrative expenses without increasing the department's overall budget. The bill will allow the department to allocate existing funds more efficiently based on the needs of the department.

The Office of the Director has a fiscal 2024 budget of \$4.9 million, which includes \$1.5 million in operating expenses.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 16, 2024  
km/hlb Third Reader - March 19, 2024

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Department of Assessments and Taxation - Office of the Director -  
Administrative Expenses

BILL NUMBER: SB 289

PREPARED BY: Bob Yeager

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESS

**OR**

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL  
BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS