



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

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

DATE: February 24, 2021

BILL NUMBER: SB0782

COMMITTEE: Budget and Taxation

BILL TITLE: State Department of Assessments and Taxation – Real Property Assessments and Appeals

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) offers the following information for SB0782, a bill that would eliminate SDAT use of mass appraisal and require SDAT to prepare an individual appraisal based on an IRS guideline for each property in the State and hire 1,265 new assessors and 120 new positions for the Property Tax Assessment Appeals Board (PTAAB).

SDAT currently utilizes mass appraisal techniques based on International Association of Assessing Officers' (IAAO) guidelines. These guidelines are used in virtually every other county and municipality in the country to perform their essential assessment functions.

Current Staffing levels: The Department's 122 current residential valuation positions include assessors, assessor supervisors, and assessor team managers. After time expended on assessment appeals, and inspection and valuation of newly constructed buildings, each assessor has approximately 119 work days remaining each year to devote to the next year's reassessment. Based on the average number of 742,808 residential properties valued each year, SDAT's assessors value 51.16 properties per day utilizing the mass appraisal approach. This includes the time spent performing field inspections for building permits where necessary, verification of sales data for property transfers within 3 years, updating the computerized assessment data system, performing sales analysis, verifying that all statistical data metrics are met, and performing all of the checks and verifications requested by the Office of Legislative Audits.

Methodology for calculation: It is the understanding of the Department that private fee appraisers, on average, complete 5 to 10 residential property appraisals per work week, or an average of 1.5 per day. Assuming that the Department can complete 300% of a private fee appraiser's, or 4.5 residential property valuations per day, the Department would need to employ a total of 1,387 residential assessors and immediate supervisors to comply with this law.

Office of the Director

300 W. Preston St., Room 605, Baltimore, MD 21201

www.dat.maryland.gov

410-767-1184 (phone)

1-800-552-7724 (MD Relay)

410-333-5873 (fax)

1-888-246-5941 (toll free)



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Future staffing levels: SDAT currently employs 122 staff in residential valuation positions; this bill would call for the hiring of an additional 1,265 residential assessors and immediate supervisors (742,808 properties / 4.5 per day for 119 work days = 1,387 assessors – 122 current assessors = 1,265 new assessor positions required). PTAAB estimates it would need to run a second Board full time in each county, an estimated additional 200 Board Members at an annual cost of \$10.5 million. Additionally, the impact on PTAAB would create the need for 5 Program Manager Sr. II, 20 Assistant County Supervisors, 45 Assessments Office Managers, and 50 Office Secretaries to handle the increased workload.

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