

**Department of Legislative Services**  
Maryland General Assembly  
2023 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

House Bill 407  
Appropriations

(Delegate Fair)

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**Department of Assessments and Taxation - Salary Incentives for Assessors -  
Authorization**

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This bill authorizes a county to provide a salary supplement or any other fringe benefit for an assessor. Under current law counties are prohibited from doing so. **The bill takes effect July 1, 2023.**

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**Fiscal Summary**

**State Effect:** None.

**Local Effect:** County expenditures may increase beginning in FY 2024 to the extent salary supplements or other fringe benefits are provided to assessors. Local revenues are not affected.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Property assessors are State employees within the State Department of Assessments and Taxation (SDAT). The salary schedules set for assessors under the Tax-Property Article must provide an appropriate incentive to encourage assessors to achieve the designation of certified assessment evaluator.

A county may not provide a salary supplement or any other fringe benefit for an assessor. However, county governments are required to reimburse SDAT for 50% of the costs associated with conducting property assessments.

## *Assessment of Real and Personal Property*

A well-defined statutory relationship exists between the State and local governments in the administration of the property tax system in Maryland. While property tax revenues are a relatively minor revenue source for the State, the State has assumed responsibility for the valuation and assessment of property. Local governments, on the other hand, levy and collect property taxes.

The State assumption of the valuation and assessment function was implemented in 1973 to provide uniform and equitable assessments of property throughout the State, in compliance with the “uniformity clause” of the Maryland State Constitution. Article 15 of the Declaration of Rights provides that the State shall “by uniform rules, provide for the separate assessment, classification and sub-classification of land, improvements on land, and personal property . . . and all taxes . . . shall be uniform within each class or sub-class . . .”

## *Centralized State Role in Assessing Property*

In 1959, Chapter 757 created SDAT and the Maryland Tax Court. The creation of these two bodies was in response to longstanding concerns about the existing assessment agency – the State Tax Commission – which served as both an assessing authority and an appellate body that ruled on its own assessments. Concerns continued to exist, however, with respect to enforcing a uniform level of valuation and assessment. Assessment ratio studies are performed annually to evaluate the accuracy and uniformity of property assessments. These assessment ratio studies comparing property assessment values and sales prices repeatedly demonstrated a wide range of assessment ratios among the counties prior to the State takeover of property assessments.

Responding to mounting concerns and legal challenges to the assessment process, Chapter 784 of 1973 was enacted to require SDAT to assume full cost and supervision of the property assessment function for the entire State. The State’s assumption of complete financial responsibility for assessment administration was phased in over a three-year period. The Supervisors of Assessments of the 23 counties and Baltimore City entered State service in 1973. The local assessors became State employees in 1974, followed by the local clerical staffs in 1975. This centralized valuation and assessment system provided the uniformity and consistency in property valuations and assessments sought by Maryland’s property owners.

## *Local Government Share of Property Assessment Costs*

Local governments benefit as well from the centralized system because the State bears some of the cost. Today, as a result of Chapter 397 of 2011, the counties and Baltimore City

are required to reimburse SDAT for (1) 50% of the costs of real property valuation; (2) 50% of the costs of business personal property valuation; and (3) 50% of costs incurred by SDAT with regard to information technology. Local expenditures are calculated on the basis of each county's share of real property accounts and business personal property as a percentage of the total.

A comprehensive overview on exempt property in Maryland can be found in Chapter 3 of the [\*Guide to the Property Tax Structure in Maryland\*](#).

**Local Fiscal Effect:** County expenditures may increase beginning in fiscal 2024 to the extent salary supplements or other fringe benefits are provided to assessors. The amount of the expenditure increase depends on whether a county government decides to provide salary supplements or other fringe benefits to State employees. County governments already provide funding to cover 50% of the associated costs to perform property assessments which is projected to total \$23.9 million in fiscal 2024.

#### *Projected Costs and Salary Levels for Property Assessors*

The fiscal 2024 State budget includes funding for 393.6 authorized positions in SDAT's real property valuation unit, of which 175 are real property assessors. Twenty-nine of these positions are currently vacant. In addition, there are 30 authorized positions in the department's business property valuation unit, of which 15 are business property assessors. State and local expenditures total approximately \$40.6 million for the real property valuation unit, \$3.3 million for the business property valuation unit, and \$4.0 million for information technology.

The following are examples of real property assessor classifications and salaries:

- Assessor Associate (grade 8 / step 2 salary \$32,873);
- Assessor I (grade 13 / step 1 salary \$42,874);
- Assessor II (grade 14 / step 1 salary \$45,604);
- Assessor III (grade 15 / step 1 salary \$48,548);
- Assessor Advanced (grade 16 / step 1 salary \$51,649);
- Assessor I Commercial and Industrial (grade 16 / step 1 salary \$51,649);
- Assessor II Commercial and Industrial (grade 17 / step 1 salary \$54,992);
- Assessor Supervisor Real Property (grade 17 / step 1 salary \$54,992);
- Assessor Advanced Commercial and Industrial (grade 18/ step 1 salary \$58,588);
- Assessor Manager Real Property (grade 18 / step 1 salary \$58,588);
- Assessor Supervisor Commercial and Industrial (grade 18/ step 1 salary \$58,588);
- Assessments Assistant Supervisor CI C (grade 18 / step 1 salary \$58,588);

- Assessments Assistant Supervisor CI B (grade 19 / step 1 salary \$62,493);
- Assessments Assistant Supervisor CI A (grade 22 / step 1 salary \$75,926);
- Supervisor of Assessments CI C (grade 20 / step 1 salary \$66,671);
- Supervisor of Assessments CI B (grade 21 / step 1 salary \$71,142);
- Supervisor of Assessments CI A (grade 23 / step 1 salary \$81,048);
- Assessments Area Supervisor I (grade 20 / step 1 salary \$66,671);
- Assessments Area Supervisor II (grade 22 / step 1 salary \$75,926);
- Program Manager Sr. II (grade 24 / step 1 salary \$86,524); and
- Program Manager Sr. III (grade 25 / step 1 salary \$92,340).

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### **Additional Information**

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

**Designated Cross File:** None.

**Information Source(s):** Charles and Garrett counties; Maryland Association of Counties; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 13, 2023  
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Analysis by: Michael Sanelli

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510