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HEARING DATE: March 29, 2022

BILL: SB0567

TITLE: Property Tax - Agricultural Use Assessment - Improvements

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) thanks the committee for the opportunity to provide clarification on SB0567 and the procedures SDAT uses to assess property.

SDAT is responsible for the appraisal of real and personal taxable property at market value and certification of these values to local governments. For both real and business personal property, SDAT must establish and implement a continuing method of assessment (Code Tax - Property Article, Title 2), ensuring an accurate, uniform, and equitable system for the assessment of property across the state.

Currently, MD. Tax - Property Code Ann. § 8-101 contains a separate real property subclass for agricultural land (see 8-101(b)(1)). There is no separate subclass currently in the law for agricultural improvements. Currently, qualifying agricultural land is valued at its use-value, which is a maximum of \$500 per acre.

The Department's efforts are to ensure that similar properties are assessed in a similar manner in all counties regarding the valuation of the land used for a wine or beer manufacturing facility along with tasting rooms, dining rooms, banquet facilities, and the associated parking lots.

SDAT has not made any changes to the manner in which buildings located on agricultural land are assessed. All buildings on a parcel of land are valued at their full cash value based upon the actual type, features, and quality of building construction. Buildings located on agricultural land have been assessed in this manner since at least 1974.