

SB576 Support

Uploaded by: Michael Higgs

Position: FAV

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MICHAEL HIGGS
Director

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HEARING DATE: February 7, 2024

BILL: SB0576

TITLE: Property Tax - Assessment Appeal Boards and Supervisors - Regional Organization

SDAT POSITION: SUPPORT

The Department of Assessments and Taxation Supports Senate Bill 576 This legislation would consolidate the Department's 24 county real property assessment offices into 8 regional offices. The bill would also consolidate all 24 county property assessment appeals boards into 8 regional appeals boards, and clarify that staff on The Department's property assessment teams cannot also serve their appeals boards.

In its ongoing process to find efficiencies in its services, The Department identified significant challenges in its county real property assessment offices due to strains on current funding and staffing. Last year, the Department's Anne Arundel County assessment office had 0 commercial property assessors on staff. County offices already have limited flexibility to shift assessors to meet the State's property assessment needs, a process which brings millions of dollars in revenue that local governments across the State rely on. The Department currently pays for 24 county offices, along with necessary staffing redundancies, expenses that become less necessary as new technologies allow assessors to move away from making as many in-person assessments.

Furthermore, the Department is required by statute to assess one third of the state every year. This is accomplished by assessing properties in one third of each county each year, a workload which varies from county-to-county. By consolidating offices, the Department will be able to shift assessors around more efficiently.

SB 576 would give the Department more flexibility to allocate resources as necessary and reduce wasteful spending on offices that no longer require a physical presence in every county by consolidating all 24 offices and appeals boards in 8 regional offices. If passed, this legislation would allow the Department to shift resources to ensure a more accurate and efficient assessment process while being a better steward of taxpayer dollars. In a challenged budget environment, this timely legislation allows the State to more efficiently and effectively generate vital revenues for state and local government and deliver a higher standard of service to the public.

Accordingly, the Department respectfully requests a **FAVORABLE** report on SB 576.

SB576 King Sponsor Testimony.pdf

Uploaded by: Senator Nancy King

Position: FAV

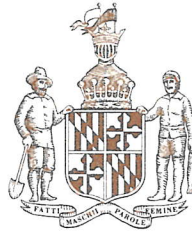
NANCY J. KING
Legislative District 39
Montgomery County

MAJORITY LEADER

Budget and Taxation Committee

Chair

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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

SPONSOR STATEMENT

Senate Bill 576 – Assessment Appeal Boards and Supervisors – Regional Organization

February 7, 2024

Mister Chairman and Members of the Budget and Taxation Committee:

Maryland is one of two states in the country that assesses properties at the state level and the State Department of Assessment and Taxation (SDAT) is a state agency that is charged with doing county level work. These efforts bring millions of dollars in revenue that local governments across the State rely on.

SDAT's assessors need institutional knowledge and expertise to do their jobs correctly, and there are only so many people available with the in-depth knowledge of assessing varied properties such as Maryland casinos, natural gas companies, etc. With a limited number of experienced assessors, the ability to shift them to different entities in the state is critical.

The Department currently pays for 24 county offices, along with necessary staffing and expenses. As new technologies allow assessors to move away from making as many in-person assessments, there is no longer the need for so many offices.

Senate Bill 576 will consolidate all 24 offices and appeals boards into 8 regional offices. This would give the Department more flexibility to allocate resources as necessary and reduce wasteful spending.

This legislation will lower costs and increase efficiencies in the state, and so I respectfully request a favorable report on Senate Bill 576.

SB0576-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



Senate Bill 576

Property Tax - Assessment Appeal Boards and Supervisors - Regional Organization

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

WITH AMENDMENTS

Date: February 7, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 576 WITH AMENDMENTS**. This bill establishes regions for Maryland State Department of Assessments and Taxation (SDAT) supervisors of assessments and property tax assessment appeal boards (PTAAB).

As current law requires a supervisor and PTAAB for each county, MACo urges amendments to require each affected county's governing body to sign off on a proposal to appoint a regional supervisor or establish a regional PTAAB to oversee multiple jurisdictions.

Public sector employment is in crisis. Recent workforce trends have left many positions unfilled, and public sector hiring scales uncompetitive. Through many years of challenging budgets, the State has abolished vacant positions and pursued similar, understandable measures to address fiscal realities. The result has been a wide swath of State agencies facing hiring and retention challenges.

By requiring SDAT to appoint a supervisor to oversee multiple counties and establishing regional PTAABs, SB 576 seeks to target one small sector of this larger trend – professional assessors employed by SDAT.

MACo does not quarrel with SDAT appointing a supervisor or establishing a PTAAB to oversee multiple counties, as the Department could reallocate funds to hire more assessors. However, counties request an amendment to make an appointment of an assessor or establishment of a PTAAB to oversee multiple jurisdictions subject to the approval of the governing body in each affected county.

Accordingly, MACo requests a **FAVORABLE WITH AMENDMENTS** report on SB 576.

sb0576_oppose_simonhiggs.pdf

Uploaded by: Liz Simon-Higgs

Position: UNF

February 6, 2024

Dear Senator King and Members of the Budget and Taxation Committee:

As Chair of the Baltimore City Property Tax Assessment Appeals Board (PTAAB), and a member of Baltimore City PTAAB since 2013, I urge your committee to vote unfavorably on this bill.

Each jurisdiction in Maryland operates independently with regard to property tax rates and local property tax credits. There are also major market and geographical factors that significantly affect property values. To understand the workings in one jurisdiction is a major undertaking. Combining multiple jurisdictions under one roof would compound the difficulties in making accurate assessments, which is the role of SDAT.

I can attest, from working across the table from City SDAT assessors for nearly 11 years, that the City's SDAT office is grossly understaffed and underpaid. These problems result in inaccurate assessments, routine (and sometimes significant) administrative errors (such as the issuance of multiple Final Notices for a given year and a given property), and many other problems. Combining this dysfunctional office with another office would likely result in a larger dysfunctional office.

One possible remedy would be a review of the pay scales for SDAT employees. This bill, SB0576, does not address that matter.

Moreover, the Baltimore City PTAAB has dockets every Monday through Thursday, every week of the year, with the exception of a week or two in late December, and a week or two in the summer. I cannot fathom how our dockets would be combined with those of any other jurisdiction.

As you may know, PTAAB members are required to reside in the jurisdiction they serve. This makes sense: One should have a good layperson's sense of the jurisdiction and the local variations therein.

Does the Department of Assessments and Taxation need restructuring? From my perspective, yes. Does SB0576 address the problems? Most definitely, no, and it appears to create many others.

I strongly urge your committee members to drop, or vote unfavorably on, this bill.

Very truly yours,

Elizabeth Simon-Higgs
Chair, Baltimore City Property Tax Assessment Appeals Board
308 E Randall Street, Baltimore, MD 21230

Opposition SB576 Somerset.pdf

Uploaded by: Lory Ebron

Position: UNF

COMMISSIONERS FOR SOMERSET COUNTY

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COMMISSIONERS

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DEPUTY COUNTY ADMINISTRATOR
ERNEST J. LEATHERBURY, JR.

COUNTY ATTORNEY
KIRK G. SIMPKINS

February 2, 2024

The Honorable Guy Guzzone
Budget and Taxation Committee
Miller Senate Office Building
3 West
Annapolis, MD 21401

Re: Opposition Senate Bill 576 –Assessment Appeals Boards and Supervisors-Regional Organization

Dear Chairman Guzzone and Committee Members:

The Somerset County Commissioners wish to express their opposition of Senate Bill 576–Assessment Appeals Boards and Supervisors-Regional Organization

As we understand this bill as presented will consolidate Local Assessment Offices and property Tax Appeal Boards. Somerset County has a local assessment staff who are extremely knowledgeable, and are very customer service oriented. We feel for a county of our size, personal knowledge of both our county and its citizens is very crucial to decisions made by the Tax Assessment Appeals Board should be made by those that live within our county.

Therefore, the Somerset County Commissioners are opposed to this legislation and ask for an unfavorable report on SB576 as proposed.

Sincerely,

A handwritten signature in blue ink that reads 'Randy Laird'. The signature is written in a cursive style.

Randy Laird
Vice President

Cc: Senator Carozza

025 LOO SB 576.pdf

Uploaded by: Randy Guy

Position: UNF

ST. MARY'S COUNTY GOVERNMENT
**COMMISSIONERS OF
ST. MARY'S COUNTY**



James R. Guy, President
Michael R. Alderson, Jr., Commissioner
Eric Colvin, Commissioner
Michael L. Hewitt, Commissioner
Scott R. Ostrow, Commissioner

**Senate Bill 576
Property Tax - Assessment Appeal Boards and Supervisors - Regional Organization**

OPPOSE

February 6, 2024

The Honorable Guy Guzzone, Chairman
Budget and Taxation Committee
3 West, Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Dear Chairman Guzzone:

The Commissioners of St. Mary's County **OPPOSE SB 576 - Property Tax - Assessment Appeal Boards and Supervisors - Regional Organization** which is being heard in the Budget and Taxation Committee.

We oppose SB 576 and request an unfavorable report. We oppose the introduction of this legislation and do not believe it will benefit the citizens of St. Mary's County. We look forward to working with you on this and other initiatives throughout the session.

Sincerely,
COMMISSIONERS OF ST. MARY'S COUNTY


James Randy Guy, President

CSMC/AB/sf
T:/Consent/2024/025

Cc: Senator Jack Bailey
Delegate Todd Morgan
Delegate Matthew Morgan
Delegate Brian Crosby
Commissioner Mike Alderson, Jr.
Commissioner Eric Colvin
Commissioner Michael Hewitt
Commissioner Scott R. Ostrow
David Weiskopf, County Administrator
John Sterling Houser, Deputy County Attorney

SB0576 - Property Tax Appeal Boards - Regional Reo

Uploaded by: Tom Ballentine

Position: UNF

NAIOP

MARYLAND CHAPTERS



THE ASSOCIATION FOR
COMMERCIAL REAL ESTATE

February 7, 2024

The Honorable, Guy Guzzone, Chair
Senate Budget and Taxation Committee
Miller Senate Office Building, 3 West
Annapolis, Maryland 21401

Oppose: SB 576 – Property Tax Assessment Appeal Board – Regional Reorganization

Dear Chair, Guzzone, and Committee Members:

NAIOP represents 22,000 commercial real estate professionals in the United States and Canada. Our Maryland membership is comprised of a mix of local firms and publicly traded real estate investment trusts that have long-standing investments in Maryland but also have experience in national and international markets.

On behalf of our member companies, I am writing to oppose SB 576 which would replace the county-based property tax assessors and appeal boards with a regional assessment and appeals board structure. NAIOP's opposition is based on the following rationale:

- Currently some Property Tax Assessment Appeals Boards have significant backlogs of cases. Wait times for hearings can be over a year and some boards have limited their work hours to manage the caseload. The structure proposed in SB 576 would result in a system that requires fewer board members to hear more cases. We do not see how this will reduce the case backlog.
- Appeals board members will be faced with unfavorable logistics of commuting to hearings in another county and taking on the appeals responsibilities for three or four jurisdictions in the region. For taxpayers, instead of driving to the county courthouse, they may have to drive long distances – Oakland to Hagerstown or between Elkton and Easton to participate in an assessment appeal. SB 576 will make it more difficult to recruit and retain appeals board members and for taxpayers to access appeals.
- Despite requiring that property owners provide annual income and expense information, property assessments are frequently wrong. This leaves the Property Tax Assessment Appeal Boards and the Tax Court to provide a much-needed backstop for taxpayers. The current system, which provides accessibility and local knowledge should be maintained.

For these reasons, NAIOP respectfully requests your unfavorable report on SB 576.

Sincerely,

Tom Ballentine, Vice President for Policy
NAIOP – Maryland Chapters, *The Association for Commercial Real Estate*

cc: Budget and Taxation Committee Members
Nick Manis – Manis, Canning Assoc.