E50C
State Department of Assessments and Taxation

Operating Budget Data

($ in Thousands)

	FY 12 Actual	FY 13 Working	FY 14 Allowance	FY 13-14 Change	% Change Prior Year
General Fund	$89,864	$90,260	$105,364	$15,104	16.7%
Contingent & Back of Bill Reductions	0	0	-38	-38	
Adjusted General Fund	**$89,864**	**$90,260**	**$105,327**	**$15,067**	**16.7%**
Special Fund	39,921	41,765	26,605	-15,161	-36.3%
Contingent & Back of Bill Reductions	0	0	-40	-40	
Adjusted Special Fund	**$39,921**	**$41,765**	**$26,565**	**-$15,200**	**-36.4%**
Reimbursable Fund	105	257	0	-257	-100.0%
Adjusted Reimbursable Fund	**$105**	**$257**	**$0**	**-$257**	**-100.0%**
Adjusted Grand Total	**$129,890**	**$132,282**	**$131,892**	**-$390**	**-0.3%**

- A fiscal 2013 deficiency would increase general funds $241,345 and special funds $501,000. The general funds will be split between the Office of the Director for annual leave payouts, training, and other expenditures, and the Property Tax Credit Programs for costs incurred due to the Homestead Tax Credit application deadline. The special funds will pay for bank charges within the Charter Unit.

- The fiscal 2014 allowance decreases $390,307, or 0.3%, from the fiscal 2013 working appropriation. While there are large increases in personnel costs of $1,244,912, these increases are more than offset by decreases in tax credit payments, which decline $1,728,288. This is mainly due to a large decrease in the Urban Enterprise Zone Tax Credit Program.

- As stipulated in Chapter 397 of 2011, the Budget Reconciliation and Financing Act of 2011, the share that local jurisdictions reimburse the State for the costs of property valuation and information technology incurred by the State Department of Assessments and Taxation (SDAT) drops from 90.0 to 50.0% in fiscal 2014. This increases general funds $16,454,228, while decreasing special funds by the same amount.

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	FY 12 Actual	FY 13 Working	FY 14 Allowance	FY 13-14 Change
Regular Positions	582.00	576.00	591.00	15.00
Contractual FTEs	0.04	4.00	4.00	0.00
Total Personnel	**582.04**	**580.00**	**595.00**	**15.00**

Vacancy Data: Regular Positions

Turnover and Necessary Vacancies, Excluding New Positions	28.92	5.02%
Positions and Percentage Vacant as of 12/31/12	54.00	9.38%

- The fiscal 2014 allowance includes 15 new regular positions for the Real Property Valuation division. All 15 positions are real property assessor positions, which fall under the increasing State revenue exception of the Spending Affordability Committee.

- The budget turnover in the fiscal 2014 allowance is 5.02%, which translates into the need to keep nearly 29 positions vacant the entire year. As of December 31, 2012, SDAT had 54 positions vacant for a vacancy rate of 9.38%.

Analysis in Brief

Major Trends

Fiscal 2012 Assessment Values Are within the Acceptable Assessment-to-sales Ratio: The department's accuracy measures for assessments are within acceptable ranges as determined by industry standards.

Timeliness Measures within the Business Property Valuation Program Decline Slightly: Annual appraisals of all taxable property from the Business Property Valuation program continue to not be 100% completed by December 1. **The department should comment on its ability to assess personal property returns in a timely fashion going forward.**

Issues

Counties Raise Concerns about Commercial Assessment Undervaluation: A recent report from the Montgomery County Office of the Inspector General raised concerns about the undervaluation of commercial properties by SDAT. While there were some methodological flaws in the report, this echoes the concerns of numerous counties about the ability of SDAT to conduct timely and accurate assessments across the State due to recent reductions in personnel for the department. **The Department of Legislative Services recommends that the department comment on its ability to fulfill the requirement that all real property be reassessed every three years and what effect reductions in the staffing levels of assessors has had on the department's ability to conduct timely and accurate assessments across the State.**

Recommended Actions

1. Concur with Governor's allowance.

Updates

Homestead Tax Credit Program: The deadline for filing Homestead Tax Credit applications was December 31, 2012. SDAT reports that 923,308 applications have been processed, and 100,000 applications are remaining to be processed. Approximately 400,000 applications were still to be filed at the deadline.

E50C
State Department of Assessments and Taxation

Operating Budget Analysis

Program Description

The State Department of Assessments and Taxation (SDAT) supervises the assessment of all property in the State. The department performs assessments on one-third of all real property and all personal property in the State every year and certifies to the local taxing authorities the assessment of every piece of property. The department also administers four tax credit programs: the Homeowners' Property Tax Credit Program, the Renters' Tax Credit Program, the Base Realignment and Closure Revitalization (BRAC) and Incentive Zone Tax Credit Program, and the Urban Enterprise Zone Tax Credit Program. The homeowners' and renters' programs provide property tax relief to all eligible homeowners and renters. The BRAC zone program provides tax-related financial incentives to local governments by providing State support for property tax increases on qualifying properties located in BRAC zones. The enterprise zone program reimburses local governments for property tax credits given to businesses which are located in, or expand into, enterprise zones. The department collects public service franchise taxes and assesses all public utility companies in the State. It also serves as the filing place for businesses operating in the State. The department registers companies, corporations, and partnerships in Maryland and generates certificates and certified documents. The various forms that businesses must file with the department are available to the public for inspection.

The goals of the department are to provide a consistently accurate property valuation system; run efficient and effective programs for property tax relief and business services; and operate convenient and professional facilities.

Performance Analysis: Managing for Results

1. Fiscal 2012 Assessment Values Are within the Acceptable Assessment-to-sales Ratio

Property assessments are a sensitive and sometimes volatile issue for property owners. SDAT strives to provide accurate and fair assessments. SDAT measures appraisal accuracy as the degree to which properties are appraised at market value, as defined by professional standards published by the International Association of Assessing Officers (IAAO). There are three measures as detailed below.

The assessment-to-sales ratio (ASR) is a ratio of the assessed value to the sales price of the property. The closer the ratio is to 100%, the closer the assessment is to the sales price. A ratio over 100% indicates assessments were higher, and a ratio under 100% indicates assessments were lower than market values. The IAAO range for acceptable performance for the ASR is 90 to 110%. SDAT strives to be within 95 to 105%. As illustrated in **Exhibit 1**, the department's fiscal 2012 ASR of 90% was within the range of the national benchmark. However, this is the second consecutive year that the ASR has fallen beyond the department's benchmark, and estimates project the ASR to remain at 90% through fiscal 2014. According to SDAT, the ASR has remained at 90% because SDAT has been slightly conservative in its assessments and revaluations because of the projection timeframe of their values and because of the continued uncertainty in the real estate market due to high numbers of short sales and foreclosures. SDAT further notes that the ratios should return to 95% when the real estate market realizes greater stabilization and consistency.

Exhibit 1
Accuracy Measures
Fiscal 2008-2014

Measure	Goal	2008	2009	2010	2011	2012	Est. 2013	Est. 2014
Assessment-to-sales Ratio	95-105%	96.2%	94.0%	95.0%	90.0%	90.0%	90.0%	90.0%
Coefficient of Dispersion	=< 15.00	11.00	9.42	10.00	10.00	10.00	10.00	10.00
Price-related Differential	.98-1.03	1.01	1.01	1.00	1.00	1.00	1.00	1.00

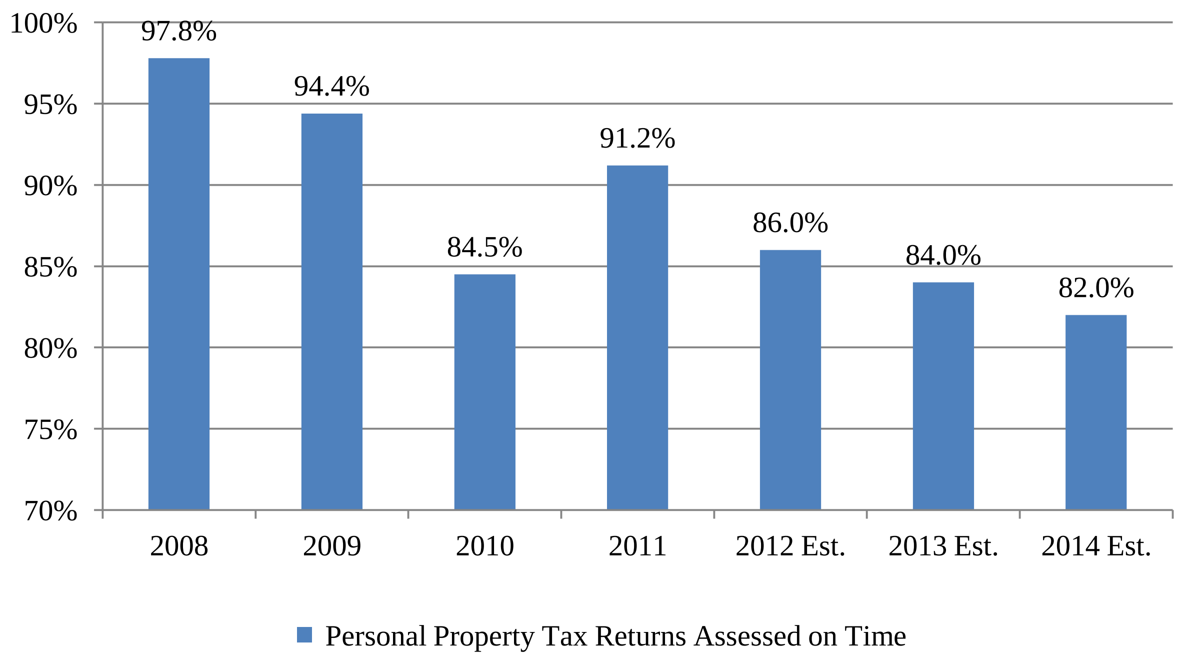
Source: State Department of Assessment and Taxation

The department is performing within its goals for the remaining two measures. The coefficient of dispersion (COD) measures how close individual ASRs are to the median ASR for an area. A large COD indicates a wide range of assessment values in a particular area. The lower the COD, the more closely the ASRs are to the median ASR value; a COD under 15 is considered reasonable. The COD for SDAT is currently at 10, which is the same as the previous year and is projected to remain the same through fiscal 2014. The third measure is the price-related differential (PRD). The PRD measures bias in the ASR. A bias is when the assessments for the assessed properties are higher or lower than they should be, based on the ASR. The ideal PRD is 1, indicating unbiased assessments. A PRD in excess of 1 indicates underestimated appraisals for high dollar properties, and a PRD less than 1 indicates underestimated appraisals for low dollar properties. The PRD for SDAT in fiscal 2012 remains at 1.

2. Timeliness Measures within the Business Property Valuation Program Decline Slightly

The Business Property Valuation Program administers the tax laws governing the assessment of personal property, property tax incentives for qualifying businesses, and utility companies that are subject to property and franchise taxes. The division strives to appraise all taxable property on an annual basis by December 1. **Exhibit 2** shows the percentage of personal property tax returns assessed by December 1 in each fiscal year. While this percentage increased from a low of 84.5% in fiscal 2010 to 91.2% in fiscal 2011, the percent of returns assessed by December 1 is projected to decrease by 5.2 percentage points in fiscal 2012 and then decline further by 2.0 percentage points in both fiscal 2013 and 2014. According to SDAT, the decline in the percentage of returns assessed in a timely fashion is due to fewer employees and less funds to provide for temporary assistance to key in the returns. In fiscal 2011, the increase in production was due to the amount of temporary assistance funds available. **The department should comment on its ability to assess personal property returns in a timely fashion going forward.**

Exhibit 2
Business Property Valuation Timeliness Measures
Fiscal 2008-2014



Source: State Department of Assessments and Taxation

Fiscal 2013 Actions

Proposed Deficiency

A fiscal 2013 deficiency of $742,345 is proposed for SDAT, totaling $241,345 in general funds and $501,000 in special funds. This breaks down as follows:

- $501,000 in special funds for the Charter Unit for banking fees;
- $160,278 in general funds for the Office of the Director to cover annual leave payouts, training and other expenditures; and
- $81,067 in general funds for the Property Tax Credit Programs to cover postage and printing costs due to the Homestead Tax Credit filing deadline.

Impact of Cost Containment

Section 25 of Chapter 1 of the First Special Session of 2012 (the Budget Reconciliation and Financing Act of 2012) required the Governor to abolish at least 100 vacant positions as of January 1, 2013, saving at least $6 million in general funds. This agency's share of the reduction was 6 positions and $23,200 in general funds. The annualized salary savings due to the abolition of these positions is expected to be $55,451 in general funds and $251,876 in special funds.

Proposed Budget

As seen in **Exhibit 3**, the fiscal 2014 allowance for SDAT decreases $390,307 from the fiscal 2013 working appropriation. The largest increases are for personnel expenditures, including 15 new positions, while the largest changes occur in spending for the various property tax credit programs.

Other changes beyond personnel and tax credit programs include various increases for charges including the Annapolis Data Center, telecommunications, and bank charges. These are offset by other decreases which include training, printing, rent, temporary assistance, and other operating expenditures.

Exhibit 3
Proposed Budget
State Department of Assessments and Taxation
($ in Thousands)

How Much It Grows:	General Fund	Special Fund	Reimb. Fund	Total
2013 Working Appropriation	$90,260	$41,765	$257	$132,282
2014 Allowance	105,364	26,605	0	131,969
Amount Change	$15,104	-$15,161	-$257	-$313
Percent Change	16.7%	-36.3%	-100.0%	-0.2%
Contingent Reductions	-$38	-$40	$0	-$77
Adjusted Change	$15,067	-$15,200	-$257	-$390
Adjusted Percent Change	16.7%	-36.4%	-100.0%	-0.3%

Where It Goes:

Personnel Expenses	
Employee retirement	$754
New positions	663
Annualized cost-of-living adjustment	332
Employee and retiree health insurance, net of across-the-board reductions	303
Other fringe benefit adjustments	-33
Turnover adjustments	-277
Increments and other compensation	-497
Property Tax Credits	
Homeowners'	2,295
Base Realignment and Closure	300
Renters'	35
Enterprise Zone	-4,358
Other Changes	
Annapolis Data Center charges	400
Department of Budget and Management telecommunications	207
Capital lease equipment	142
Fiscal service	117

Where It Goes:	
Other	-2
Training	-26
Printing	-150
Department of General Services rent	-168
Office assistance	-170
Assessment Administration and Valuation System	-257
Total	**-$390**

Note: Numbers may not sum to total due to rounding.

Personnel

Personnel expenditures increase $1,244,912 in the fiscal 2014 allowance, with the largest increase being $754,435 in increased pension contributions. Contribution rates for the regular employees, teachers, State police, and law enforcement officers pension plans increase in fiscal 2014. The rate increases are attributable to underattaining investment returns, adjusting actuarial assumptions, and increasing the reinvestment of savings achieved in the 2011 pension reform.

The other large increase is for 15 new positions for the Real Property Valuation unit, which increases the fiscal 2014 allowance $662,940. These 15 positions will increase the ability of this unit to conduct residential and commercial property assessments in a timelier manner. Further, since these positions are revenue generating, they fulfill one of the exceptions of the Spending Affordability Committee for new positions in fiscal 2014.

Other personnel increases also include $331,519 for the annualization of the cost-of-living adjustment (COLA) from December 31, 2012, and $302,726 for increases in employee health insurance costs after across-the-board reductions are made. These increases are partially offset by decreases of $496,693 in salary and other compensation adjustments due to the abolition of positions from the cost containment provision and other positions returning to base salary, as well as a decrease of $277,288 for increased turnover expectancy.

Property Tax Credits

As shown in **Exhibit 4**, the fiscal 2014 allowance for the tax credit programs decreases by a net $1.7 million, with increases in the homeowners', renters', and BRAC tax credit programs all offset by a large reduction in the Urban Enterprise Zone Tax Credit Program.

Exhibit 4
Tax Credit Programs
Fiscal 2012-2014

	2012 Actual	2013 Working Appropriation	2014 Allowance	2013-14 Change
Homeowners' Tax Credit Program	$62,562,928	$60,000,000	$62,294,519	$2,294,519
Renters' Tax Credit Program	2,672,586	2,400,000	2,435,250	35,250
Urban Enterprise Tax Credit Program	16,194,486	18,810,518	14,452,561	-4,357,957
BRAC Revitalization and Incentive Zone Tax Credit Program	400,000	750,000	1,050,000	300,000
Total Tax Credit Payments	**$81,830,000**	**$81,960,518**	**$80,232,330**	**-$1,728,188**

BRAC: Base Realignment and Closure

Source: State Department of Assessments and Taxation

The Homeowners' Tax Credit Program provides credits against State and local real property taxes for homeowners who qualify based on a sliding scale of property tax liability and income. Similarly, the Renters' Tax Credit Program provides property tax credits to renters who meet certain income and familial requirements. The Renters' Tax Credit Program, which is modeled after the Homeowners' Tax Credit Program, is based on the concept that renters indirectly pay property taxes as a component of their rent and, therefore, should also benefit from the tax credit afforded to homeowners.

Exhibit 5 shows the number of eligible applications and the average credit for the Homeowners' and Renters' Tax Credit Programs for fiscal 2012 through 2014.

The Urban Enterprise Zone Tax Credit Program provides property and income tax credits for businesses that locate or expand within designated areas. SDAT reimburses local governments for 50% of the property tax credit. The credit is based on the increased assessment from a base year either from rising assessments or from increases in value from renovations or capital improvements.

Exhibit 5
Homeowners' and Renters' Tax Credit Programs
Eligible Applications and Average Credit
Fiscal 2012-2014

	2012 Actual	2013 Estimate	2014 Estimate
Homeowners' Tax Credit Program			
Eligible Applications	52,594	52,800	53,000
Average Credit	$1,190	$1,136	$1,175
Renters' Tax Credit Program			
Eligible Applications	8,316	8,300	8,250
Average Credit	$321	$289	$295

Source: Maryland State Budget

As shown in **Exhibit 6**, the number of participating businesses and the value of the tax credits are both projected to decrease between fiscal 2013 and 2014. The tax credits are awarded over a 10-year period, and SDAT advises that the decline in the number of participating businesses is due largely to expiring credits. There have also been fewer businesses opting in for the tax credit, which is why the tax credit continues to decline. Should more businesses begin to opt in for the tax credit, this State's share of the credit would once again increase.

Exhibit 6
Enterprise Zone Property Tax Credit
Fiscal 2013-2014
($ in Thousands)

	2013		2014	
Enterprise Zones	**Businesses**	**State's Share of Credit**	**Businesses**	**State's Share of Credit**
Allegany	27	$252	26	$260
Baltimore City	325	11,822	289	8,277
Baltimore	44	708	44	663
Calvert	13	50	7	33
Cecil	23	954	23	761
Dorchester	15	69	14	15
Garrett	41	167	41	138
Harford	115	1,709	108	1,541
Montgomery	101	867	87	494
Prince George's	47	1,355	51	1,006
St. Mary's	28	53	24	42
Somerset	3	10	3	10
Washington	46	486	46	486
Wicomico	45	166	44	152
Worcester	5	4	3	1
Reimbursement to Late Claimants		139		100
Focus Area Credit				475
Totals	**878**	**$18,811**	**810**	**$14,453**

Source: State Department of Assessments and Taxation

Chapter 338 of 2008, amended by Chapter 728 of 2009, created financial incentives for local subdivisions with approved BRAC zones. The fiscal 2014 allowance includes $1,050,000 for qualifying properties located in Anne Arundel, Frederick, and Harford counties, as well as possibly the first credit in Prince George's County, if construction of the eligible property is completed in fiscal 2014.

Local Support for Property Valuation and Associated Information Technology Expenses

Chapter 397 of 2011, the Budget Reconciliation and Financing Act of 2011, requires the counties and Baltimore City to reimburse SDAT for (1) 90% of the costs of real property valuation; (2) 90% of the costs of business personal property valuation; and (3) 90% of costs incurred by SDAT with regards to information technology in fiscal 2012 and 2013. Beginning in fiscal 2014 with the current allowance, the counties and Baltimore City are required to reimburse SDAT for 50% of these costs. This has resulted in an increase of $16,454,228 in general funds with a subsequent decrease in special funds. The 50% cost split with local jurisdictions will continue indefinitely.

Issues

1. Counties Raise Concerns about Commercial Assessment Undervaluation

SDAT conducts real property assessments on every property in the State every three years. This is done by the Real Property Valuation division, which operates in each county and Baltimore City. Real property includes both residential and commercial properties, including apartment buildings and other entities. While the State does collect some funds from property tax revenues, the counties are by far the largest recipient of such revenues, and thus have a greater vested interest in the assessments conducted by SDAT since these assessments directly relate to the amount of tax revenue acquired.

Recently, a report by the Office of the Inspector General (OIG) of Montgomery County was published which found that commercial property assessments in Montgomery County, according to OIG, were under assessed when compared to numbers derived by OIG staff. In particular, OIG focused on a property known as the Parklawn Building in Rockville, Maryland which is currently occupied by the U.S. Health and Human Services agency. Using a methodology developed by OIG based on the methodology used by SDAT to conduct commercial property assessments, OIG concluded that the Parklawn building should have been assessed at a much higher value than it currently had at the time. Furthermore, OIG chose various commercial properties that had recently been sold and compared the sales price to the assessed values of each property. OIG found that the ASR for high value properties (above $10 million) was 68%, while the ASR for lower valued commercial properties (under $700,000) was 90%. OIG also found that Montgomery County committed far fewer resources to appealing assessments than it had in the past, and the report recommended that the Montgomery County Department of Finance commit more resources to appealing assessments and develop a comprehensive way of determining whether large changes in assessed values were fair and accurate.

Issues with the OIG Report

While some aspects of the OIG report may appear alarming, the report contained numerous methodological and logical errors in its final analysis of the situation, with most of the errors raised by SDAT in correspondence with OIG but apparently ignored. In particular, SDAT noted that the use of the Parklawn building as an example in any type of report is inappropriate since there were various circumstances which made the assessment on this property unique. The circumstances include:

- the building was entirely occupied by a single, federal tenant;

- the fact that having a federal tenant meant that the building was made to specifications unique for that tenant, and that if the tenant left, significant renovations would have to be made;

- the tenant had recently vacated a large amount of space that would take a significant amount of time and resources to refill;

- there was uncertainty surrounding the possibility of the tenant leaving the building entirely, which would have drastically compounded the time and resources problem tied to vacancies within this particular property;

- that the building was in poor shape and in need of major capital renovations; and

- the assessment was not on the building itself, but was part of an assessment of the building and surrounding properties which were all owned by the same person.

The second part of the report which compared sales prices to assessed values also contained numerous faults, including the fact that some of the values were lowered by the Property Tax Assessment and Appeals Board or the Maryland Tax Court and not by SDAT, the fact that the study does not recognize the significance of the January 1 date of finality, the fact that some assessments are three years old, and the fact that the properties were not sampled at random. Furthermore, OIG conducted this report without having a trained assessor on staff or, in the case of Parklawn, hiring a professional appraiser to provide an estimate on the value of the property.

County Concerns: Too Few Assessors?

Despite the number of issues contained within the OIG report, the report does address a continuing concern of not just Montgomery County but various other counties and municipalities throughout the State about the underassessment of properties and the ability of SDAT to conduct these assessments with the resources that they currently have. As previously mentioned in this analysis, SDAT has maintained an ASR of 90.0% for residential properties, which is within acceptable limits for assessments nationwide. Furthermore, SDAT has also maintained an ASR for commercial properties of 94.4%, including an ASR of 98.3% for Montgomery County.

Beyond the quality of the assessments, there is doubt that SDAT has continued to maintain its commitment of reassessing every property in the State every three years. This concern arises from the fact that the Real Property Valuation division has lost 78 positions since fiscal 2008. SDAT has indicated that while it has continued to file reassessments on each eligible property every three years, reductions in staffing have prevented the department from conducting onsite inspections of each property during the reassessment process. However, there are 15 new positions in the fiscal 2014 allowance, which should improve upon the ability of SDAT to complete more timely and accurate assessments across the State.

The Department of Legislative Services recommends that the department comment on its ability to fulfill the requirement that all real property be reassessed every three years and what effect reductions in the staffing levels of assessors have had on the department's ability to conduct timely and accurate assessments across the State.

Recommended Actions

1. Concur with Governor's allowance.

Updates

1. Homestead Tax Credit Program

Since its inception in 1977, the fundamental purpose of the Homestead Property Tax Credit has been to limit the amount of property taxes paid by a residential homeowner due to property tax assessment increases. The credit was designed to provide a cumulative or year-over-year protection to longtime homeowners against significant appreciations in property values. Over the past decade, there has been a significant increase in the number of properties receiving the credit and the average amount of each credit. The increase in the number of recipients and the inability to verify eligibility prompted concern over potential abuses or fraud. In response to this concern, Chapters 564 and 565 of 2007 were enacted to require homeowners to apply to the department for the credit. The credit is no longer automatically applied against owners' assessments. All those seeking the credit had to apply by December 31, 2012.

As of February 7, 2012, SDAT reports that 923,308 applications have been processed for the Homestead Property Tax Credit. There are also 100,000 applications remaining to be processed, although SDAT estimates that 40% of the applications may be duplicates. In the last four months before the deadline, 175,000 applications were received. SDAT also estimates that 400,000 applications were still to be filed by constituents at the deadline, despite the numerous outreach attempts and wide public exposure of the absolute filing deadline of December 31, 2012. Any homeowner not filing an application by December 31, 2012, will have his or her credit eligibility removed on the July 1, 2013 tax bill. However, should a homeowner subsequently file an application for the credit for the July 1, 2014 tax year, the credit will be calculated as if the credit has not been removed.

Appendix 1

Current and Prior Year Budgets

Current and Prior Year Budgets
State Department of Assessments and Taxation
($ in Thousands)

	General Fund	Special Fund	Federal Fund	Reimb. Fund	Total
Fiscal 2012					
Legislative Appropriation	$86,774	$5,517	$0	$0	$92,290
Deficiency Appropriation	2,890	-473	0	0	2,417
Budget Amendments	426	35,577	0	105	36,107
Reversions and Cancellations	-225	-699	0	0	-924
Actual Expenditures	**$89,864**	**$39,921**	**$0**	**$105**	**$129,890**
Fiscal 2013					
Legislative Appropriation	$90,260	$40,842	$0	$0	$131,102
Budget Amendments	0	923	0	257	1,180
Working Appropriation	**$90,260**	**$41,765**	**$0**	**$257**	**$132,282**

Note: Numbers may not sum to total due to rounding.

Fiscal 2012

SDAT finished fiscal 2012 $37,600,056 above the legislative appropriation.

General Funds: Actual expenditures were $3,090,827 above the legislative appropriation. Deficiency appropriations added $2,417,000 for the Homeowners' Tax Credit as well as $473,102 in general funds, while removing the same amount in special funds to comply with Chapter 397 of 2011. General fund amendments added $426,038. Specifically:

- $363,957 was added for the one-time $750 State employee bonus;
- $60,000 was added to cover Annapolis Data Center maintenance costs; and
- $2,081 was added for communications in the Office of the Director.

SDAT also reverted $225,313 in general funds.

Special Funds: Actual expenditures $34,404,457 above the legislative appropriation. Deficiency appropriations removed $473,102 in special funds as noted above. Budget amendments added $35,576,671 as follows:

- $34,810,988 to reflect the local funding for SDAT operations required by Chapter 397 of 2011;
- $570,000 for postage and contractual costs for the Charter Unit;
- $85,000 to cover unanticipated overtime costs in the Administration of Local Tax Credits program;
- $55,683 for the one-time $750 State employee bonus; and
- $55,000 for overtime, special/technical fees and equipment replacement in the Homestead Tax Credit Program.

SDAT also canceled $699,112 in special funds primarily related to unexpected vacancies.

Reimbursable Funds: Actual expenditures were $104,772 above the legislative appropriation due to a reimbursable amendment to complete the Assessment Administration and Valuation System.

Fiscal 2013

To date, $1,180,347 has been added through budget amendments to the legislative appropriation. $923,347 has been added in special funds, mainly through a budget amendment which added $620,000 in special funds to cover unanticipated expenditures within the Homestead Tax Credit Administration. An additional $303,347 has also been added in special funds for the COLA from the Budget Restoration Fund. Reimbursable funds have also been increased by $257,000 from the Major Information Technology Development Project Fund in the Department of Information Technology to cover contractor liabilities for the Assessment Administration and Valuation System.

Object/Fund Difference Report
State Department of Assessments and Taxation

Object/Fund	FY 12 Actual	FY 13 Working Appropriation	FY 14 Allowance	FY 13 - FY 14 Amount Change	Percent Change
Positions					
01 Regular	582.00	576.00	591.00	15.00	2.6%
02 Contractual	0.04	4.00	4.00	0.00	0%
Total Positions	**582.04**	**580.00**	**595.00**	**15.00**	**2.6%**
Objects					
01 Salaries and Wages	$ 39,025,419	$ 41,563,170	$ 42,885,359	$ 1,322,189	3.2%
02 Technical and Spec. Fees	99,511	123,956	103,152	-20,804	-16.8%
03 Communication	1,489,738	1,211,018	1,384,298	173,280	14.3%
04 Travel	215,093	183,750	183,750	0	0%
06 Fuel and Utilities	16,445	18,500	18,500	0	0%
07 Motor Vehicles	70,391	56,976	56,976	0	0%
08 Contractual Services	4,581,134	5,112,890	5,044,008	-68,882	-1.3%
09 Supplies and Materials	371,413	157,180	157,180	0	0%
10 Equipment – Replacement	252,654	9,900	171,667	161,767	1634.0%
11 Equipment – Additional	1,178	0	0	0	0.0%
12 Grants, Subsidies, and Contributions	81,830,000	81,960,518	80,232,330	-1,728,188	-2.1%
13 Fixed Charges	1,937,150	1,884,448	1,732,056	-152,392	-8.1%
Total Objects	**$ 129,890,126**	**$ 132,282,306**	**$ 131,969,276**	**-$ 313,030**	**-0.2%**
Funds					
01 General Fund	$ 89,864,373	$ 90,259,919	$ 105,364,407	$ 15,104,488	16.7%
03 Special Fund	39,920,981	41,765,387	26,604,869	-15,160,518	-36.3%
09 Reimbursable Fund	104,772	257,000	0	-257,000	-100.0%
Total Funds	**$ 129,890,126**	**$ 132,282,306**	**$ 131,969,276**	**-$ 313,030**	**-0.2%**

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.

Appendix 2

Fiscal Summary
State Department of Assessments and Taxation

Program/Unit	FY 12 Actual	FY 13 Wrk Approp	FY 14 Allowance	Change	FY 13 - FY 14 % Change
01 Office of the Director	$ 2,677,484	$ 2,585,314	$ 2,705,929	$ 120,615	4.7%
02 Real Property Valuation	30,179,191	31,802,083	32,923,756	1,121,673	3.5%
04 Office of Information Technology	3,022,320	4,180,112	4,805,228	625,116	15.0%
05 Business Property Valuation	3,302,569	3,416,992	3,414,088	-2,904	-0.1%
06 Tax Credit Payments	81,830,000	81,960,518	80,232,330	-1,728,188	-2.1%
08 Property Tax Credit Programs	2,549,076	2,598,826	2,603,764	4,938	0.2%
09 Major Information Technology Development Projects	1,047,722	257,000	0	-257,000	-100.0%
10 Charter Unit	5,281,764	5,481,461	5,284,181	-197,280	-3.6%
Total Expenditures	**$ 129,890,126**	**$ 132,282,306**	**$ 131,969,276**	**-$ 313,030**	**-0.2%**
General Fund	$ 89,864,373	$ 90,259,919	$ 105,364,407	$ 15,104,488	16.7%
Special Fund	39,920,981	41,765,387	26,604,869	-15,160,518	-36.3%
Total Appropriations	**$ 129,785,354**	**$ 132,025,306**	**$ 131,969,276**	**-$ 56,030**	**0%**
Reimbursable Fund	$ 104,772	$ 257,000	$ 0	-$ 257,000	-100.0%
Total Funds	**$ 129,890,126**	**$ 132,282,306**	**$ 131,969,276**	**-$ 313,030**	**-0.2%**

Note: The fiscal 2013 appropriation does not include deficiencies. The fiscal 2014 allowance does not include contingent reductions.