

**E50C**  
**State Department of Assessments and Taxation**

***Operating Budget Data***

(\$ in Thousands)

	<b><u>FY 16</u></b>	<b><u>FY 17</u></b>	<b><u>FY 18</u></b>	<b><u>FY 17-18</u></b>	<b><u>% Change</u></b>
	<b><u>Actual</u></b>	<b><u>Working</u></b>	<b><u>Allowance</u></b>	<b><u>Change</u></b>	<b><u>Prior Year</u></b>
General Fund	\$104,404	\$109,328	\$114,227	\$4,900	4.5%
Adjustments	0	0	-10,945	-10,945	
<b>Adjusted General Fund</b>	<b>\$104,404</b>	<b>\$109,328</b>	<b>\$103,283</b>	<b>-\$6,045</b>	<b>-5.5%</b>
Special Fund	27,963	28,721	28,438	-283	-1.0%
Adjustments	0	0	10,780	10,780	
<b>Adjusted Special Fund</b>	<b>\$27,963</b>	<b>\$28,721</b>	<b>\$39,218</b>	<b>\$10,497</b>	<b>36.5%</b>
<b>Adjusted Grand Total</b>	<b>\$132,367</b>	<b>\$138,049</b>	<b>\$142,501</b>	<b>\$4,452</b>	<b>3.2%</b>

Note: Includes targeted reversions, deficiencies, and contingent reductions.

- The fiscal 2018 allowance for the State Department of Assessments and Taxation (SDAT) is \$142.5 million, an increase of \$4.5 million, or 3.2%, above the fiscal 2017 working appropriation, due to an increase in estimated utilization of the four tax credit programs administered by SDAT.
- The Governor's budget plan also includes a contingent fund swap that would exchange \$10.9 million in general funds for special funds from local governments. This action is tied to a section of the Budget Reconciliation and Finance Act (BRFA) of 2017 that would increase the share that the counties and Baltimore City are required to contribute to assessment-related expenditures from 50% to 70% in fiscal 2018 and would include the expenses of the Office of the Director in the cost share.

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

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***Personnel Data***

	<b><u>FY 16 Actual</u></b>	<b><u>FY 17 Working</u></b>	<b><u>FY 18 Allowance</u></b>	<b><u>FY 17-18 Change</u></b>
Regular Positions	615.30	595.30	592.30	-3.00
Contractual FTEs	<u>14.05</u>	<u>15.40</u>	<u>15.40</u>	<u>0.00</u>
<b>Total Personnel</b>	<b>629.35</b>	<b>610.70</b>	<b>607.70</b>	<b>-3.00</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	35.77	6.04%
Positions and Percentage Vacant as of 12/31/16	66.00	11.09%

- The fiscal 2018 allowance includes 592.3 regular positions, a decrease of 3.0 positions below the fiscal 2017 working appropriation. The abolished positions are:
  - 1.0 long-term vacant position in the Office of the Director; and
  - 2.0 vacant information technology (IT) positions that are no longer needed by SDAT due to the ongoing realignment of IT functions with the Department of Information Technology.
- The fiscal 2018 allowance also includes 15.4 contractual full-time equivalents, the same as fiscal 2017.
- Administration action under Section 20 of the fiscal 2017 budget bill abolished 15.0 additional vacant positions in this agency. Those reductions are reflected in the fiscal 2017 working appropriation.
- The turnover expectancy for this agency is 6.04%, which requires 35.8 vacancies. As of December 31, 2016, the agency had a total of 66.0 vacant regular positions and a vacancy rate of 11.09%. The agency reports that it is actively recruiting and hiring, and that the vacancy rate is declining.

## *Analysis in Brief*

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### **Major Trends**

***Assessment Metrics Steady:*** The performance of SDAT is measured based on the accuracy of the agency’s assessments relative to actual sale prices. In fiscal 2016, the SDAT assessment-to-sales ratio was 93.5%, within the agency’s 90.0% to 110.0% target range. Additional measures for bias in assessments within geographic areas and by assessed value, both remained well within agency targets.

***Electronic Filing Continues to Grow as Part of Broader Customer Service Initiative:*** SDAT is working to improve customer experiences by increasing its online presence and changing processes in the agency’s Charter Unit. These initiatives are relatively new, but they are starting to show progress. **The Department of Legislative Services (DLS) recommends that SDAT discuss its customer service initiatives with the budget committees. DLS further recommends that the agency develop additional metrics to track the efficiency of the Charter Unit and customer satisfaction with the agency. The agency should include this information in future Managing for Results submissions.**

### **Issues**

***Administration Calls for Increased Local Cost Share:*** A provision in the BRFA of 2017 would increase the share of assessment expenses local jurisdictions are required to pay from 50% under current law to 70% in fiscal 2018 and to 90% in fiscal 2019 and thereafter. In fiscal 2018 this would increase local costs by \$10.8 million. While local jurisdictions receive the large majority of property tax revenue, it would be unwise to relieve the State of most responsibility for these costs while it has authority to set the budget. DLS will recommend against adoption of the BRFA provision. **DLS recommends that the agency comment on any impact to agency operations that may be created by the proposed fund swap, and whether this change would affect its relationship with local jurisdictions.**

***Assessor Shortage Challenges Agency Operations:*** Under the Tax – Property Article, SDAT is required to conduct physical inspections and assessments of each property in the State every three years. At no time in the last 40 years has the agency had sufficient staff to meet this mandate. According to a 2015 report by SDAT, the agency would need 204 additional assessors to conduct these assessments above the 263 assessor positions currently authorized. **DLS recommends that the agency comment on the impact of understaffing in its assessment offices and discuss strategies it could employ to hire more assessors or increase the efficiency of its existing workforce.**

### **Recommended Actions**

1. Concur with Governor’s allowance.



**E50C**  
**State Department of Assessments and Taxation**

***Operating Budget Analysis***

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**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 (BRAC) Revitalization 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 Urban Enterprise Zone Tax Credit Program reimburses local governments for property tax credits given to businesses that 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. Assessment Metrics Steady**

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 100.0%, the closer the assessment is to the sales prices. A ratio over 100.0% indicates that assessments were higher, and a ratio under 100.0% indicates that assessments were lower than market values. The IAAO range for acceptable performance for the ASR is 90.0% to 110.0%. As illustrated in **Exhibit 1**, the department's fiscal 2016 ASR was 93.5%, an increase from an ASR of 93.4% in fiscal 2015 and 92.3% in fiscal 2014. The low ASRs of recent years were caused

by volatility of the housing market. According to SDAT, lingering foreclosures have affected the market in certain regions of the State. As the market continues to stabilize and improve, the ASR should move toward 100.0%.

The department is also performing within its targets 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 15.0 is considered acceptable. The COD for SDAT in fiscal 2016 was 10.0, the same as in fiscal 2015. 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 it should be, based on the ASR. The ideal PRD is 1.0, indicating unbiased assessments. A PRD in excess of 1.0 indicates underestimated appraisals for high-dollar properties, and a PRD less than 1.0 indicates underestimated appraisals for low-dollar properties. The PRD for SDAT in fiscal 2016 is 1.0, the same as fiscal 2015.

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**Exhibit 1**  
**Accuracy Measures**  
**Fiscal 2011-2017 Est.**

<u>Measure</u>	<u>Goal</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017 Est.</u>
Assessment-to-sales Ratio	90.00%-110.00%	90.00%	93.10%	91.30%	92.30%	93.40%	93.50%	94.00%
Coefficient of Dispersion	=< 15.00	10.00	10.27	10.22	9.42	10.00	10.00	10.00
Price-related Differential	0.98-1.03	1.00	1.03	1.01	1.02	1.01	1.00	1.00

Source: Department of Budget and Management

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## **2. Electronic Filing Continues to Grow as Part of Broader Customer Service Initiative**

SDAT is in the process of modernizing its internal and public-facing information technology (IT) systems and creating online options for more of its filings, especially in the Charter Unit, which handles business registrations and related filings. As shown in **Exhibit 2**, a large percentage of the new business registrations and good standing certificates are filed electronically rather than in person at SDAT's Charter Unit in Baltimore City. While the percentage of Good Standing Certificates filed electronically slipped in 2015, other online filings increased, a trend that is expected to continue.

The agency's effort to increase its electronic presence is connected to a larger effort to improve customer service. In fiscal 2016 and 2017, the Charter Unit has reviewed its business practices and made changes that have cut the time it takes to process and approve many documents in half. The

fiscal 2018 allowance includes funds to increase customer service training across SDAT and improve the agency’s website. **The Department of Legislative Services (DLS) recommends that SDAT discuss its customer service initiatives with the committees. DLS further recommends that the agency develop additional metrics to track the efficiency of the Charter Unit and customer satisfaction with the agency. The agency should include this information in future Managing for Results submissions.**

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**Exhibit 2**  
**Utilization of Electronic Documents**  
**Fiscal 2014-2016 Est.**

	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Est.</u>
New Business Registrations	81,414	70,266	80,000
Percentage Filed Electronically	22.5%	43.3%	50.0%
Good Standing Certificates	43,839	60,387	70,000
Percentage Filed Electronically	86.8%	72.0%	80.0%

Source: Department of Budget and Management

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## **Fiscal 2017 Actions**

### **Cost Containment**

On November 2, 2016, the Board of Public Works approved a cost containment action that eliminated a total of \$82.3 million from the fiscal 2017 general fund appropriation. For SDAT, the impact of this action was a reduction of \$3.4 million for the Homeowner’s Tax Credit based on an updated usage estimate. After the action, a total of \$60.0 million remains appropriated for this purpose, which is anticipated to be sufficient to cover the cost of the program.

### **Section 20 Position Abolitions**

Section 20 of the fiscal 2017 budget bill authorized the Governor to abolish a total of 657 vacant positions across the Executive Branch and reduce the fiscal 2017 general fund appropriation by \$25 million. Based on this authority, the Administration abolished a total of 15 vacant positions in SDAT and reduced the agency’s appropriation by a total of \$240,000, including \$140,000 in general funds. DLS estimates that the total impact of this action in fiscal 2018 is \$788,426.

## Proposed Budget

As shown in **Exhibit 3**, the fiscal 2018 allowance for SDAT is \$142.5 million, net of back of the bill reductions, an increase of \$4.5 million, or 3.2%, above the fiscal 2017 working appropriation. This increase is attributable to higher than anticipated utilization of tax credit programs and is partially offset by decreased personnel expenditures. While Exhibit 3 does reflect a contingent fund swap based on a provision in the Budget Reconciliation and Financing Act (BRFA) of 2017 that would exchange general for special funds, it has no impact on the agency’s total allowance.

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

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Total</b>
Fiscal 2016 Actual	\$104,404	\$27,963	\$132,367
Fiscal 2017 Working Appropriation	109,328	28,721	138,049
Fiscal 2018 Allowance	<u>103,283</u>	<u>39,218</u>	<u>142,501</u>
Fiscal 2017-2018 Amount Change	-\$6,045	\$10,497	\$4,452
Fiscal 2017-2018 Percent Change	-5.5%	36.5%	3.2%

**Where It Goes:**

**Personnel Expenses**

Accrued leave payouts .....	\$470
Other fringe benefit adjustments.....	-48
Employee retirement.....	-189
Abolished positions.....	-309
Section 20 abolished positions.....	-548
Employee and retiree health insurance .....	-946
Compensation .....	-1,054

**Tax Credit Programs**

Urban Enterprise Zone Tax Credit.....	2,695
Base Realignment and Closure Zone Tax Credit.....	1,295
Renters Tax Credit .....	1,087
Homeowners’ Property Tax Credit.....	115



**Where It Goes:**

**Other Changes**

Website and customer help desk upgrades .....	680
Software upgrades.....	600
Communications .....	211
Bank transaction fees .....	207
Customer service training .....	86
Other .....	100
<b>Total</b>	<b>\$4,452</b>

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

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**Across-the-board Reductions**

The fiscal 2018 budget bill includes a \$54.5 million (all funds) across-the-board contingent reduction for a supplemental pension payment. Annual payments are mandated for fiscal 2017 through 2020 if the Unassigned General Fund balance exceeds a certain amount at the close of the fiscal year. This agency’s share of these reductions is \$81,843 in general funds and \$82,654 in special funds. This action is tied to a provision in the BRFA of 2017.

**Personnel**

Personnel expenditures decrease by \$2.6 million. This decrease includes reductions to reflect the total savings realized by the abolishment of 15 positions under Section 20 of the fiscal 2017 budget bill (\$548,426) and the additional 3 positions abolished in the allowance (\$309,410). Other major decreases include -\$1.1 million for compensation due to recent turnover and the hiring of new employees at lower salary steps and -\$946,394 for health insurance. These decreases are partially offset by an increase of \$470,000 for accrued leave payouts.

**Tax Credit Payments**

Expenditures for tax credit payments increase by \$5.2 million. Urban Enterprise Zone credits increase by \$2.7 million, Base Realignment and Closure Zone Tax Credits increase by \$1.3 million, Renter’s Tax Credits increase by \$1.1 million, and Homeowners’ Tax Credits increase by \$115,000.

**Other Changes**

Other significant changes include increases of \$680,000 to improve the agency website and customer help desk and \$600,000 for software upgrades.

## ***Issues***

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### **1. Administration Calls for Increased Local Cost Share**

The BRFA of 2017 includes a provision that would increase and expand the share of assessment-related expenses paid by the counties and Baltimore City. Under current law, the State and local units evenly split the cost for SDAT's assessment operations and IT. Local jurisdictions calculate property tax bills based on SDAT assessments, charge and collect the taxes, and remit the State share. Local jurisdictions receive the majority of property tax revenue.

Prior to fiscal 2012, the State paid for the entirety of SDAT's operations. For fiscal 2012 and 2013, under a provision in Chapter 397 of 2011 (the BRFA), local jurisdictions were required to cover 90% of expenditures for assessments and IT. The current fifty-fifty split has been in place since fiscal 2014. As shown in **Exhibit 4**, under current law, the local contribution to SDAT is \$21.8 million in fiscal 2018 and the proposed change would increase that by \$10.8 million. In fiscal 2019, when the 90% share would take effect, the cost to the local jurisdictions grows to \$43.2 million.

The adjustment to the cost share proposed in the BRFA would proceed in two steps. First, in fiscal 2018, local governments would be required to pay 70% of the operating expenses for assessments and IT. Additionally, for the first time, operating expenses for the Office of the Director of SDAT would be included in those expenses subject to the local cost share. Second, beginning in fiscal 2019, local jurisdictions would pay 90% of costs for assessments, IT, and the Office of the Director.

While it is true that local jurisdictions are the primary recipients of revenue based on the work of SDAT, this does not necessarily mean it is wise to place the cost burden on those local governments. The State and its citizens benefit from the uniformity in procedures and valuations produced by SDAT as well as the unity of the appeals process. Assessors from all jurisdictions benefit from having greater access to support and other resources that may not be available to them otherwise. As long as budget decisions for SDAT are made at the State level, it is prudent to require the State to pay a large share of these costs to maintain an incentive to make wise budget decisions. For these reasons, DLS will recommend against adoption of this provision in the BRFA.

**DLS recommends that the agency comment on any impact to agency operations that may be created by the proposed fund swap and whether this change would affect its relationship with local jurisdictions.**

**Exhibit 4**  
**Local Cost Share for Property Assessments**  
**Fiscal 2018-2019 Est.**  
**(\$ in Millions)**

	Fiscal 2018					Fiscal 2019				
	<u>Allowance</u>	Current Law		Proposed		<u>Est. Allowance</u>	Current Law		Proposed	
		<u>Local Share</u>	<u>State Share</u>	<u>Local Share</u>	<u>State Share</u>		<u>Local Share</u>	<u>State Share</u>	<u>Local Share</u>	<u>State Share</u>
Office of the Director	\$2.9		\$2.9	\$2.0	\$0.9	\$3.1		\$3.1	\$2.8	\$0.3
Real Property Valuation	35.5	\$17.7	17.7	24.8	10.6	36.5	\$18.3	18.3	32.9	3.7
Office of Information Technology	4.7	2.4	2.4	3.3	1.4	4.8	2.4	2.4	4.3	0.5
Business Property Valuation	3.5	1.7	1.7	2.4	1.0	3.6	1.8	1.8	3.2	0.4
<b>Subtotal</b>	<b>\$46.6</b>	<b>\$21.8</b>	<b>\$24.7</b>	<b>\$32.6</b>	<b>\$14.0</b>	<b>\$48.0</b>	<b>\$22.5</b>	<b>\$25.6</b>	<b>\$43.2</b>	<b>\$4.8</b>
Share		50%	50%	70%	30%		50%	50%	90%	10%

Source: Department of Legislative Services

## **2. Assessor Shortage Challenges Agency Operations**

Under the Tax – Property Article section 8-104(b)(1), SDAT is tasked with conducting physical inspections and issuing new assessments for each parcel of real property in the State every three years. At no point in the last four decades has SDAT had enough assessors to fulfill this mandate. Instead, SDAT generally only conducts physical inspections when a triggering event (such as the issuance of a building permit or sale) that is likely to impact the value of the property occurs. All properties that are not physically inspected are assessed *en masse*, based on an analysis of known sale values in a particular area. While this method generally produces accurate results, it cannot compare to actual inspections of individual properties.

The Office of Legislative Audits noted this issue in 2013 and was informed by SDAT that this was a longstanding problem driven by understaffing. Agency staff have also reported that SDAT was hit particularly hard by the 2008 recession due to the impact on both the housing market and State government. During the recession, many properties lost value, leading owners to more frequently challenge SDAT’s assessments through the State’s appeal process. Such appeals are time consuming for the assessors who review assessments and, when necessary, testify before the Property Tax Assessment Appeal Boards and the Maryland Tax Court. Those assessors who remained faced pressure from both directions – they needed to handle more assessments even though the average time per assessment was increasing due to an increased appeal rate. The number of appeals has fallen since the end of the recession, but there are still fewer assessors for more parcels.

In a report prepared by SDAT in 2015, the agency reported that it would need 204 more inspectors to conduct physical inspections on all properties. For comparison, the agency currently has only 263 authorized positions for assessors and supervisory assessors, of which 29 were vacant on December 31, 2016, putting more strain on the staff that is in place. It is unrealistic to propose that SDAT be appropriated sufficient resources to recruit and hire over 200 new assessors (which would cost approximately \$10 million), especially given that the agency has never had enough staffing to meet the letter of its mandate. SDAT should continue to explore other avenues to increase the number of individualized assessments conducted given its financial constraints.

**DLS recommends that the agency comment on the impact of understaffing in its assessment offices and discuss strategies it could employ to hire more assessors or increase the efficiency of its existing workforce.**

## ***Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1**  
**Current and Prior Year Budgets**  
**State Department of Assessments and Taxation**  
**(\$ in Thousands)**

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
<b>Fiscal 2016</b>					
Legislative Appropriation	\$107,448	\$28,794	\$0	\$0	\$136,242
Deficiency Appropriation	0	101	0	0	101
Budget Amendments	378	137	0	0	515
Reversions and Cancellations	-3,422	-1,069	0	0	-4,491
<b>Actual Expenditures</b>	<b>\$104,404</b>	<b>\$27,963</b>	<b>\$0</b>	<b>\$0</b>	<b>\$132,367</b>
<b>Fiscal 2017</b>					
Legislative Appropriation	\$112,345	\$28,314	\$0	\$0	\$140,659
Cost Containment	-3,400	0	0	0	-3,400
Budget Amendments	383	407	0	0	790
<b>Working Appropriation</b>	<b>\$109,328</b>	<b>\$28,721</b>	<b>\$0</b>	<b>\$0</b>	<b>\$138,049</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions. Numbers may not sum to total due to rounding.

## **Fiscal 2016**

The agency finished fiscal 2016 with actual expenditures \$3.9 million below the legislative appropriation. This decrease is attributable to cancellations and reversions totaling \$4.5 million, partially offset by a deficiency appropriation that added \$101,202 and budget amendments totaling \$514,675.

### **General Funds**

Actual general fund expenditures were \$3.0 million below the legislative appropriation. Tax credit payments of \$3.4 million were reverted based on actual program expenditures. Additionally, a budget amended to restore employee salaries added \$378,000.

### **Special Funds**

Actual special fund expenditures were \$831,268 below the legislative appropriation. A total of \$1.1 million in unspent funds, largely from the local cost share for assessments, was canceled. There was an additional decrease of \$233,325 by budget amendment to reduce the local fund appropriation to align with the general fund appropriation. These decreases were partially offset by the following increases:

- a deficiency appropriation added \$101,202 for employee compensation; and
- a budget amendment added \$370,000 to restore employee salaries.

## **Fiscal 2017**

To date, two adjustments have been made to the fiscal 2017 legislative appropriation resulting in a net decrease to the agency's general fund appropriation of \$2,610,000. Action by the Board of Public Works on November 2, 2016, reduced the appropriation by \$3.4 million for the Homeowner's Tax Credit program based on a lower projection of actual expenditures. This decrease is offset by a budget amendment that increased the appropriation by \$789,990 for employee increments.

**Appendix 2  
Object/Fund Difference Report  
State Department of Assessments and Taxation**

<u>Object/Fund</u>	<u>FY 16 Actual</u>	<u>FY 17 Working Appropriation</u>	<u>FY 18 Allowance</u>	<u>FY 17 - FY 18 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	615.30	595.30	592.30	-3.00	-0.5%
02 Contractual	14.05	15.40	15.40	0.00	0%
<b>Total Positions</b>	<b>629.35</b>	<b>610.70</b>	<b>607.70</b>	<b>-3.00</b>	<b>-0.5%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 44,800,571	\$ 48,642,916	\$ 46,183,249	-\$ 2,459,667	-5.1%
02 Technical and Spec. Fees	138,615	362,451	447,570	85,119	23.5%
03 Communication	1,299,849	1,028,388	1,239,643	211,255	20.5%
04 Travel	323,829	172,450	182,118	9,668	5.6%
06 Fuel and Utilities	25,018	25,100	26,269	1,169	4.7%
07 Motor Vehicles	64,964	72,500	75,548	3,048	4.2%
08 Contractual Services	5,244,250	3,363,434	4,819,538	1,456,104	43.3%
09 Supplies and Materials	208,729	149,449	207,854	58,405	39.1%
10 Equipment – Replacement	461,506	161,667	206,670	45,003	27.8%
11 Equipment – Additional	-5,001	5,000	15,000	10,000	200.0%
12 Grants, Subsidies, and Contributions	78,092,425	82,322,000	87,514,587	5,192,587	6.3%
13 Fixed Charges	1,711,965	1,743,260	1,747,556	4,296	0.2%
<b>Total Objects</b>	<b>\$ 132,366,720</b>	<b>\$ 138,048,615</b>	<b>\$ 142,665,602</b>	<b>\$ 4,616,987</b>	<b>3.3%</b>
<b>Funds</b>					
01 General Fund	\$ 104,404,091	\$ 109,327,645	\$ 114,227,299	\$ 4,899,654	4.5%
03 Special Fund	27,962,629	28,720,970	28,438,303	-282,667	-1.0%
<b>Total Funds</b>	<b>\$ 132,366,720</b>	<b>\$ 138,048,615</b>	<b>\$ 142,665,602</b>	<b>\$ 4,616,987</b>	<b>3.3%</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions.



**Appendix 3  
Fiscal Summary  
State Department of Assessments and Taxation**

<u>Program/Unit</u>	<u>FY 16 Actual</u>	<u>FY 17 Wrk Approp</u>	<u>FY 18 Allowance</u>	<u>Change</u>	<u>FY 17 - FY 18 % Change</u>
01 Office of the Director	\$ 2,956,362	\$ 3,102,581	\$ 3,034,478	-\$ 68,103	-2.2%
02 Real Property Valuation	34,710,358	36,519,578	35,488,771	-1,030,807	-2.8%
04 Office of Information Technology	4,819,821	3,982,964	4,733,795	750,831	18.9%
05 Business Property Valuation	3,597,474	3,640,574	3,470,297	-170,277	-4.7%
06 Tax Credit Payments	78,091,721	82,322,000	87,514,587	5,192,587	6.3%
08 Property Tax Credit Programs	2,499,427	3,003,209	2,765,596	-237,613	-7.9%
10 Charter Unit	5,691,557	5,477,709	5,658,078	180,369	3.3%
<b>Total Expenditures</b>	<b>\$ 132,366,720</b>	<b>\$ 138,048,615</b>	<b>\$ 142,665,602</b>	<b>\$ 4,616,987</b>	<b>3.3%</b>
General Fund	\$ 104,404,091	\$ 109,327,645	\$ 114,227,299	\$ 4,899,654	4.5%
Special Fund	27,962,629	28,720,970	28,438,303	-282,667	-1.0%
<b>Total Appropriations</b>	<b>\$ 132,366,720</b>	<b>\$ 138,048,615</b>	<b>\$ 142,665,602</b>	<b>\$ 4,616,987</b>	<b>3.3%</b>

Note: Does not include targeted reversions, deficiencies, and contingent reductions.