Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE

House Bill 466 (Delegate McKee)
Ways and Means

Real Property Assessments - Notice

This bill requires the supervisor of assessments for each county to provide written notice to the owner of real property if the property's value decreases.

Fiscal Summary

State Effect: General fund expenditures could increase by $2,800 in FY 1997. Future year costs reflect annualization and inflation.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
GF Revenues	$0	$0	$0	$0	$0
GF Expenditures	2,800	3,800	3,900	4,000	4,100
Net Effect	($2,800)	($3,800)	($3,900)	($4,000)	($4,100)

Note: ( ) - decrease; GF - general funds

Local Effect: None.

Fiscal Analysis

State Expenditures: The State Department of Assessments and Taxation (DAT) generally sends assessment notices to any property owner when the assessment changes, whether the change is an increase or a decrease. The only instance when an assessment decreases and a notice is not sent is when part of a property is transferred to another owner. Assume, for example, that five acres of a ten acre piece of property are transferred to a new owner. The new owner would receive an assessment notice for the five acres that were transferred. The old owner's assessment would be lowered by the value of the transferred portion, but he would not receive a new assessment notice.

DAT processes approximately 5,000 of these partial transfers each year. Each notice cost about 75 cents to generate and mail. Accordingly, it would cost $2,813 to send one additional notice per partial transfer in fiscal 1997. This estimate is adjusted for the bill's October 1, 1996 effective date. Future year expenditures reflect 2% inflation.

Information Source(s): Department of Assessments and Taxation, Department of Fiscal Services

Fiscal Note History: First Reader - February 2, 1996
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