

Department of Legislative Services  
 Maryland General Assembly  
 2000 Session

FISCAL NOTE

Senate Bill 877 (Senator Sfikas. *et al.*)

Judicial Proceedings

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Baltimore City - Recordation of Deeds - Assessment Books

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This bill provides that, in Baltimore City, a deed or other instrument which effects a change of ownership on the assessment books may not be recorded until the property granted is transferred on Baltimore City’s assessment books. Transfer of property on the assessment books must be evidenced on the instrument being recorded.

The bill authorizes the Clerk of the Court of the Circuit Court of Baltimore City, the Administrative Office of the Courts, the State Department of Assessments and Taxation (SDAT), and the Baltimore City tax collector to formulate procedures for recording instruments under the bill.

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Fiscal Summary

**State Effect:** General fund expenditures could increase by \$126,700 in FY 2001, reflecting the bill’s October 1, 2000, effective date. Out-year projections reflect annualization and inflation.

(in dollars)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	\$126,700	\$141,000	\$148,000	\$155,400	\$163,200
Net Effect	(\$126,700)	(\$141,000)	(\$148,000)	(\$155,400)	(\$163,200)

**Local Effect:** Minimal impact on Baltimore City.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** In Baltimore, Carroll, Cecil, Charles, Dorchester, Harford, Howard, Montgomery, St. Mary's, Washington, and Worcester counties, a deed or other instrument which effects a change of ownership on the assessment books may not be recorded until the property granted is transferred on the local assessment books. Transfer of property on the assessment books must be evidenced on the instrument being recorded.

**Background:** SDAT records all transfers in the property tax assessment records, except in Baltimore City. In Baltimore City, the city's Department of Public Works records the transfers and then provides the information to SDAT. SDAT maintains the records of all such transfers, including those from Baltimore City. Delays in the transfer of information from Baltimore City to SDAT can prevent recent transfers from being readily apparent to the public. The bill would authorize Baltimore City and SDAT to develop a system of recording the transfers to address this delay.

**State Expenditures:** In fiscal 1999, there were approximately 23,200 transfers of property in Baltimore City. If SDAT assumes responsibility for recording the transfers under the procedures authorized by the bill, general fund expenditures could increase by an estimated \$126,700 in fiscal 2001, which accounts for the bill's October 1, 2000, effective date. This estimate reflects the cost of hiring four office clerks and one records supervisor to record transfers from Baltimore City in the assessment records. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Salaries and Fringe Benefits	\$117,200
Operating Expenses	<u>9,500</u>
<b>Total FY 2001 State Expenditures</b>	<b>\$126,700</b>

Future year expenditures reflect (1) full salaries with 4.5% annual increases and 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1216 (Delegate Krysiak) - Economic Matters.

**Information Source(s):** Judiciary (Administrative Office of the Courts), Baltimore City, Department of Assessments and Taxation, Department of Legislative Services

**Fiscal Note History:** First Reader - March 9, 2000

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