

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 160

(Chairman, Ways and Means Committee)

(By Request – Departmental – Assessments and Taxation)

Ways and Means

Assessment Offices - Location

This departmental bill repeals the requirement that each county provide an office for the supervisor of assessments in the county seat and requires the Department of Assessments and Taxation (SDAT) to provide the office for the supervisor of assessments in a location anywhere in the county.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: Potential decrease in State expenditures due to reduced rent payments for local assessment offices. The amount of the decrease depends on the number of offices that are relocated each year and the new rent for each office.

Local Effect: Potential minimal decrease in county rent revenue.

Small Business Effect: SDAT has determined that the bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Each county is required to provide the supervisor of assessments in the county with an office in the county seat, or in Baltimore City for the supervisor of Baltimore City. SDAT is responsible for providing each supervisor with clerical staff,

equipment, and other facilities and assistance SDAT considers necessary and as provided in the State budget.

Background: SDAT rents offices from private entities or county governments in the following jurisdictions: Allegany County, Baltimore County, Carroll County, Charles County, Dorchester County, Frederick County, Garrett County, Kent County, Montgomery County, Somerset County, Talbot County, Washington County, and Worcester County. The department also leases parking spaces in Allegany County, Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Frederick County, Montgomery County, and Washington County.

In some county seats such as Princess Anne (Somerset) and Snow Hill (Worcester), the supply of office space is very small. At any give time, the amount of available office space which would meet the requirements for the local assessment office may be limited or nonexistent. Also, in other counties, the rental rates for office space in the county seats are much higher than in other portions of the county. For example, in Anne Arundel County, office space in Annapolis rents for \$20 - \$24 per square foot, while similar space rents for \$12 per square foot in Crofton, for \$10 - \$15 per square foot in Glen Burnie, for \$18 - \$21 per square foot near BWI Airport, and for \$22 per square foot near Fort Meade.

Some local offices are currently located in areas with very limited parking available which can be inconvenient for the public. Locations such as downtown Rockville, Annapolis, Towson, and Frederick have limited free public parking. Pay parking spaces in these locations can also be difficult to obtain at times for taxpayers who wish to visit the local assessment office.

State Fiscal Effect: Because the bill allows SDAT to seek office space outside of county seats for the 23 local assessment offices, it could result in future rent savings as leases expire. These savings cannot be reliably estimated at this time and depends on the number of offices that are relocated each year and the new rent for each office. Typically, SDAT has to relocate one or two local assessment offices each year due to rent increases or evictions by local governments.

Exhibit 1 shows the amount that SDAT spends (non-Department of General Services) on rent for its local offices.

Exhibit 1
Non-DGS* Rent for Local Assessment Offices

<u>Fiscal Year</u>	<u>Amount</u>
2002	\$1,622,661
2003	\$1,578,134
2004 (allowance)	\$1,768,850

*Non-DGS rent is rent paid to an entity other than the State Department of General Services.

Local Fiscal Effect: To the extent that local assessment offices are relocated from county-owned buildings, local governments could realize a reduction in rent payments.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Assessments and Taxation, Wicomico County, Allegany County, Montgomery County, Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2004
lc/hlb

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