

Department of Legislative Services  
Maryland General Assembly  
2010 Session

FISCAL AND POLICY NOTE

Senate Bill 877

(Senator Brinkley)

Budget and Taxation

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Property Tax Assessments - Exterior Physical Inspection of Property - Waiver

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This bill authorizes the State Department of Assessments and Taxation (SDAT) to waive a statutory provision requiring an exterior physical inspection of a property during an annual assessment cycle for up to five years if the supervisor of assessments for a county determines that sufficient resources are not available to meet the requirement. Instead, each property must be assessed during the cycle using other available means. Under current law, each property must be reassessed every three years based on an exterior physical inspection of the property.

The bill takes effect June 1, 2010.

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Fiscal Summary

**State Effect:** None. The bill's provisions will not materially affect SDAT's operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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Analysis

**Current Law/Background:** Under current law, real property is valued and assessed once every three years. This approach, the triennial assessment process, was part of major property tax reform established in 1979. Under this process, assessors from SDAT physically inspect each property every three years. No adjustments are made in the interim, except in the case of (1) a zoning change; (2) a substantial change in property

use; (3) extensive improvements to the property; or (4) a prior erroneous assessment. The assessor determines the current “full market value” of the property and any increase in value is phased in over a three-year period. Any decrease, however, is recognized immediately for assessment purposes.

Under the current three-year assessment cycle, SDAT assesses approximately 700,000 properties each year. Staffing at the department’s local assessment offices includes 215 field assessors, 46 supervisory positions, and 155 clerical staff. SDAT uses a variety of assessment techniques including computer modeling, sales analysis, and physical inspections. However, most of SDAT’s current physical inspections are related to new construction and the other factors that trigger an out-of-cycle reassessment.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Howard, Montgomery, and Prince George’s counties; State Department of Assessments and Taxation; Property Tax Assessment Appeals Board; Department of Legislative Services

**Fiscal Note History:** First Reader - March 8, 2010  
ncs/hlb

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