

Department of Legislative Services  
Maryland General Assembly  
2026 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 460

(Senator Rosapepe)

Budget and Taxation

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State Department of Assessments and Taxation and Department of General  
Services - Property Appraisal Aids - Geographic Images

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This bill requires the State Department of Assessments and Taxation (SDAT) to prepare, install, and maintain a database of statewide and local geographic images that includes (1) geographic information system visualizations and (2) oblique aerial photographic imagery. SDAT must (1) by June 30, 2026, develop policies to protect the identity of any individual whose image is captured by oblique aerial photographic imagery and (2) report these policies to the General Assembly by July 15, 2026. **The bill takes effect June 1, 2026.**

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Fiscal Summary

**State Effect:** Annuity Bond Fund (ABF) revenues increase by a potentially significant amount beginning in FY 2029 as discussed below. Special fund expenditures and revenues offset in any year where total costs do not exceed \$1.0 million. However, general fund expenditures increase in any year the cost of the database of geographic images exceeds \$1.0 million. SDAT can handle the bill's reporting requirements with existing budgeted resources, while the Department of General Services (DGS) can implement the bill's requirements with existing budgeted resources.

**Local Effect:** Local government property tax revenues increase by a potentially significant amount beginning in FY 2029. County expenditures increase by at least \$1.0 million annually beginning in FY 2027. **This bill imposes a mandate on a unit of local government.**

**Small Business Effect:** None.

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## Analysis

**Bill Summary:** Baltimore City and each county must reimburse the State for 100% of the first \$1.0 million of annual costs for the database of geographic images and 50% of any annual costs for the database in excess of \$1.0 million. DGS must procure a uniform system that includes any tools or services needed to prepare, install, and maintain the appraisal aids for the State. In order to carry out the required procurement, DGS must gather information and input on the requirements of the appraisal aids by consulting with SDAT and affected or relevant units of State and local government.

**Current Law:** Each year, SDAT is required to value one-third of all real property based on an inspection prior to the date of finality. Real property is valued and assessed once every three years. Prior to June 1, 2018, statute required that the assessments be based on a physical inspection; however, Chapter 651 of 2018 repealed the requirement that the department value all real property based on an exterior physical inspection of the real property. Instead, the department must value real property based on a review of each property in each three-year cycle. The review by the department must include a physical inspection of a property if (1) the value of improvements to the property is being initially established; (2) the value of substantially completed improvements is being established; (3) the property is the subject of a recent sale, and the inspection is deemed necessary by the department for purposes of market analysis; (4) the property owner requests a physical inspection as part of an active appeal; (5) the department is notified by a county finance officer that a substantially completed improvement has been made that adds at least \$1.0 million in value to the property; or (6) the department determines that a physical inspection is appropriate.

In any year of a three-year cycle, real property must be revalued if any of the following factors causes a change in the value of the real property: (1) the zoning classification is changed at the initiative of the owner or anyone having an interest in the property; (2) a change in use or character occurs; (3) substantially completed improvements are made that add at least \$100,000 in value to the property; (4) an error in calculation or measurement of the real property caused the value to be erroneous; (5) a residential use assessment is terminated; or (6) a subdivision occurs.

Any increase in full cash value (market value) is phased in equally over the next three years. All property is assessed at 100% of full cash value.

SDAT must prepare, install, and maintain a complete record of properties, with appropriate indexes and cross indexes, and a system of appraisal aids for each county that consist of (1) property location maps and (2) records of new construction, sales, building costs and private appraisals.

**State Fiscal Effect:** The bill requires SDAT to prepare, install, and maintain a database of statewide and local geographic images that includes (1) geographic information system visualizations and (2) oblique aerial photographic imagery. In addition, DGS must procure a uniform system that includes any tools or services needed to prepare, install, and maintain the appraisal aids. The effects of the bill on each department are discussed below.

*State Department of Assessments and Taxation*

SDAT conducted a pilot study using oblique aerial imagery from November 5, 2014, through January 31, 2015, in Anne Arundel and Frederick counties. In both counties, assessors from SDAT used oblique aerial imagery to (1) review properties with a transfer or permit and (2) review properties house-to-house as if they were in the field.

In Anne Arundel County, the pilot program had the following results:

- 10,435 residential accounts reviewed versus 4,000 residential accounts reviewed during the same time period in the previous year;
- 92% of properties assessed with imagery alone, leaving only 8% of properties to be physically inspected; and
- \$32.0 million added to tax base from the review of approximately 17% of residential accounts in the 2016 reassessment group.

In Frederick County, the pilot program had the following results:

- 2,203 residential accounts reviewed versus 1,004 residential accounts reviewed during the same time period in the previous year;
- 95% of properties assessed with imagery alone, leaving only 5% of properties to be physically inspected; and
- 1,100 commercial accounts reviewed using imagery versus 18 commercial accounts reviewed during same time period in the previous year.

Based on the results of the pilot study in Anne Arundel and Frederick counties, the department estimates that the total statewide assessable real property base could increase by approximately \$1.25 billion due to increased accuracy of real property assessments. If the assessable base increases by an estimated \$1.25 billion, this would result in an additional State and local property tax revenues of approximately \$1.4 million and \$15.0 million, respectively. However, the actual amount of any property tax revenue increase depends on increases to the assessable base achieved using the new assessment techniques and when they become available. It is assumed that any revenue increases would not be realized until at least fiscal 2028, to allow time for (1) procurement of the imaging contract; (2) the department to acquire the necessary equipment; and (3) the

training of staff to begin using the oblique imaging technology on a statewide basis. As a point of reference, State real property taxes are special fund revenues for the ABF and dedicated exclusively to pay the debt service on State general obligation bonds.

SDAT estimates the cost of a contract to provide oblique aerial imagery to be approximately \$1.0 million annually, or \$3.0 million per three-year assessment cycle. New oblique imagery would be needed each year as one-third of the State's real property is assessed each year, and any new construction or improvements would continually need to be updated. The department also notes that the cost of the contract would be offset by the projected increase in both State and local property tax revenues.

The bill requires the counties and Baltimore City to reimburse the State for 100% of the first \$1.0 million of annual costs for the database of geographic images and 50% of any annual costs for the database in excess of \$1.0 million. Based on SDAT's estimate of the cost for geographic imaging, discussed above, the counties and Baltimore City would be required to reimburse the State for \$1.0 million annually beginning in fiscal 2026.

#### *Department of General Services*

DGS reports that the bill requires the procurement and implementation of a technology system. Based on the expected value of the contract, the Office of State Procurement (OSP) must review the solicitation prior to posting and also review the procurement documents prior to award, which require Procurement Officer and Procurement Management resources. In addition, to receive approval from the Board of Public Works (BPW), additional resources from the OSP are needed to prepare the BPW package and agenda. DGS indicates that these tasks can likely be handled with existing resources and notes that given the complexity of the procurement required by the bill, completion of the procurement may be delayed and may affect the timing of other pending procurements.

**Local Fiscal Effect:** County expenditures increase by at least \$1.0 million annually beginning in fiscal 2027 to reimburse SDAT for the cost of the database of geographic images. **Exhibit 1** shows the total expenditure increase by county based on fiscal 2025 real property accounts. It is assumed that total county property tax revenues may increase beginning in fiscal 2029, to the extent the new assessment techniques result in an increased assessable base, as discussed above.

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**Exhibit 1**  
**County Reimbursement Payments**

<b>County</b>	<b>Reimbursement Payment</b>
Allegany	\$17,276
Anne Arundel	93,723
Baltimore City	99,148
Baltimore	127,238
Calvert	18,037
Caroline	6,985
Carroll	28,842
Cecil	20,117
Charles	29,775
Dorchester	9,769
Frederick	45,573
Garrett	12,651
Harford	42,435
Howard	46,726
Kent	5,628
Montgomery	145,622
Prince George's	129,270
Queen Anne's	11,358
St. Mary's	21,282
Somerset	7,099
Talbot	9,070
Washington	25,216
Wicomico	19,493
Worcester	27,669
<b>Total</b>	<b>\$1,000,000</b>

Source: State Department of Assessments and Taxation; Department of Legislative Services

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**Additional Information**

**Recent Prior Introductions:** Similar legislation has been introduced within the last three years. See HB 6 and SB 143 of 2025 and HB 491 of 2024.

**Designated Cross File:** HB 176 (Delegate Fair, *et al.*) - Ways and Means.

**Information Source(s):** Maryland Association of Counties; Department of General Services; State Department of Assessments and Taxation; Department of Legislative Services

**Fiscal Note History:** First Reader - February 4, 2026  
sj/mcr

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