

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 122

(Chair, Budget and Taxation Committee)(By Request -  
Departmental - Assessments and Taxation)

Budget and Taxation

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**State Department of Assessments and Taxation - Local Reimbursement for  
Administration Costs - Alterations**

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This departmental bill alters the payment schedule in which Baltimore City and county governments are required to reimburse the State Department of Assessments and Taxation (SDAT) for specified property tax assessment and information technology (IT) services. Under current law, Baltimore City and county governments are required to reimburse SDAT for these services on a quarterly basis beginning July 1. The bill requires the local governments to reimburse SDAT in the amount of 50% of the total owed on October 1 of each fiscal year and then 25% of the total on each of January 1 and April 1. **The bill takes effect June 1, 2026.**

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**Fiscal Summary**

**State Effect:** None. The bill alters the payment schedule for which SDAT is reimbursed by local governments for various property tax assessment and IT services but does not alter the amount received by the department in a fiscal year.

**Local Effect:** None. The bill alters the payment schedule for which SDAT is reimbursed by local governments for various property tax assessment and IT services but does not alter the amount that is paid to the department by local governments in a fiscal year.

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

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## Analysis

**Current Law:** SDAT conducts the assessment of all property in the State. Beginning in fiscal 2026, Baltimore City and county governments are required to reimburse SDAT for 90% of the costs associated with real property valuation, business personal property valuation, and information technology. Reimbursements are paid on a quarterly basis beginning July 1 of each fiscal year. Prior to enactment of Chapter 604 of 2025 (Budget Reconciliation and Financing Act of 2025), local governments were required to reimburse SDAT for 50% of these costs.

**Background:** At the beginning of each fiscal year (July 1) SDAT charges Baltimore City and county governments for 25% of the estimated assessment and IT costs for the upcoming fiscal year, as well as any corrections to the previous year's estimate. SDAT reports that the department does not know the true cost of the previous year's services by July 1; the actual costs are determined at the fiscal year end closeout. This bill would begin the billing and repayment schedule in October to give the department's accounting team time to calculate the true cost of the previous year's estimate so that the first bill of the year requires no additional corrections.

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## Additional Information

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** HB 292 (Chair, Ways and Means Committee)(By Request - Departmental - Assessments and Taxation) - Ways and Means.

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

**Fiscal Note History:** First Reader - January 20, 2026  
jg/hlb

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## **ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES**

TITLE OF BILL: State Department of Assessments and Taxation - Local  
Reimbursement for Administration Costs - Alterations

BILL NUMBER: SB122

PREPARED BY: Joshua Greenberg

### **PART A. ECONOMIC IMPACT RATING**

This agency estimates that the proposed bill

  X   WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON  
MARYLAND SMALL BUSINESS

**OR**

       WILL HAVE MEANINGFUL IMPACT ON MARYLAND SMALL  
BUSINESSES

### **PART B. ECONOMIC IMPACT ANALYSIS**