

MMHA - 2021 - SB 782 - SDAT(1).pdf

Uploaded by: Greenfield, Aaron

Position: FAV



Bill Title: Senate Bill 782, State Department of Assessments and Taxation – Real Property Assessments and Appeals

Committee: Budget & Taxation

Date: February 24, 2021

Position: Favorable

This testimony is offered on behalf of the Maryland Multi-Housing Association (MMHA). MMHA is a professional trade association established in 1996, whose members consist of owners and managers of more than 210,000 rental housing homes in over 958 apartment communities. Our members house over 538,000 residents of the State of Maryland. MMHA also represents over 250 associate member companies who supply goods and services to the multi-housing industry.

Senate Bill 782 requires the State Department of Assessments and Taxation (Department) to publish on the Department's website information in plain language relating to the assessment process and methodology in determining the value of real property. The bill directs the Department and its assessors, when determining the value of real property, to conform to certain federal guidelines (Real Property Valuation Guidelines). Senate Bill 782 also reduces from \$100,000 to \$50,000 renovations required to reevaluate the property.

MMHA supports clarity and consistency in the Department's assessment process. Conforming to the Real Property Valuation Guidelines and making that information clear on the website, will greatly assist property owners in understanding the process.

For these reasons, we respectfully request a favorable report on Senate Bill 782.

Aaron J. Greenfield, MMHA Director of Government Affairs, 410.446.1992

SB782 Parity Testimony.pdf

Uploaded by: Jones, Bree

Position: FAV

PARITY

SB782 State Department of Assessments and Taxation – Real Property Assessments and Appeals

February 19th, 2021
Budget and Taxation Committee

To Whom It May Concern:

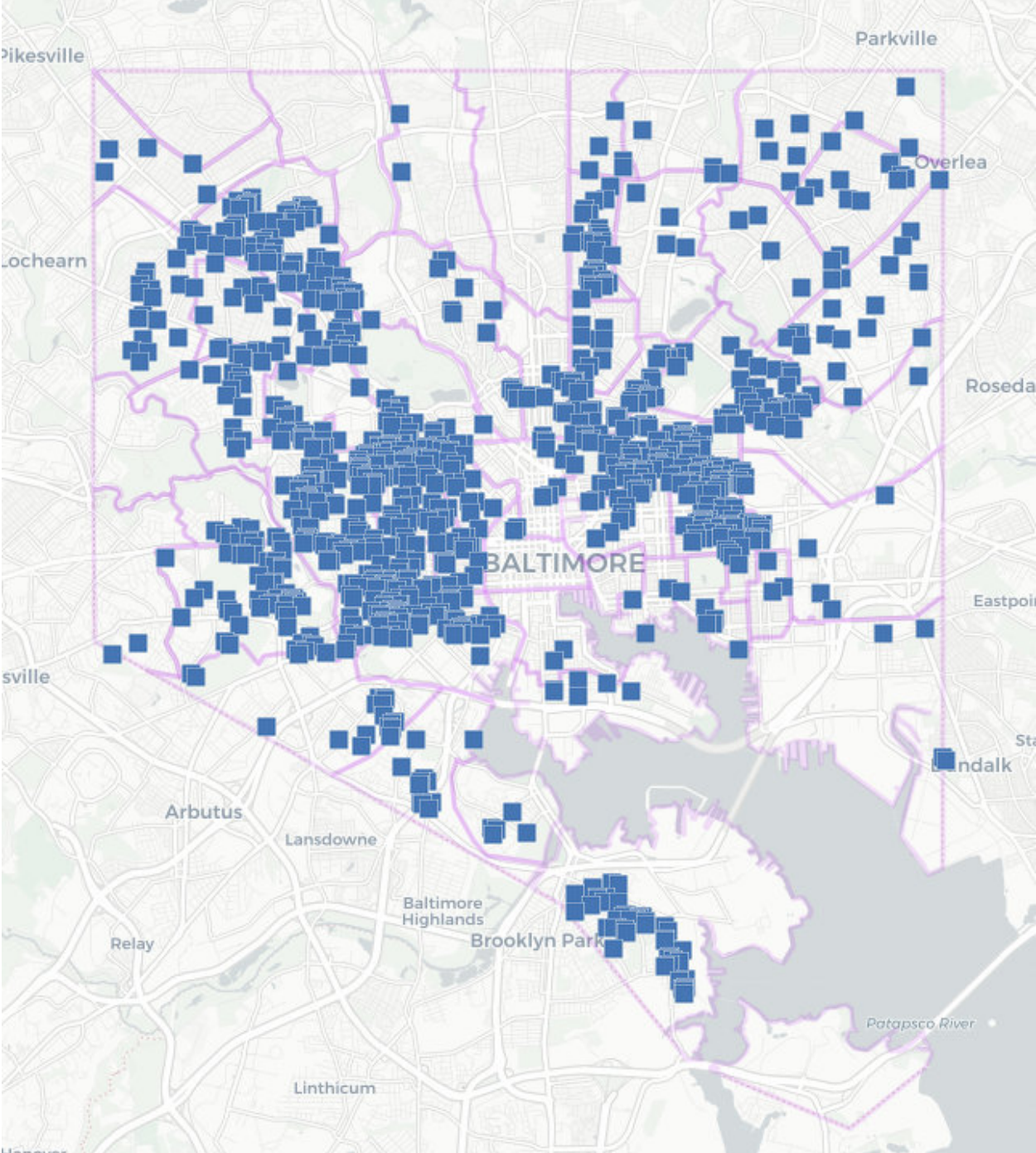
I am writing in support of Bill SB782 State Department of Assessments and Taxation – Real Property Assessments and Appeals.

My name is Bree Jones, and I am the Founder and Executive Director of Parity Homes. Parity is an equitable development company that removes systemic barriers to authentically and equitably rebuild historically Black neighborhoods through collective economics. Parity acquires and rehabilitates vacant and abandoned properties in West Baltimore by the block to create affordable homeownership opportunities. At the core of our work is “Development without Displacement”. We practice real estate and housing development through a racial equity lens to ensure that people who have been historically disinvested of wealth are able to participate in and benefit from reinvestment into their communities. Parity takes extra steps to prevent unintended displacement of legacy residents by connecting them with legal, financial, and aging-in-place resources.

Despite best efforts of organizations like mine, racial and structural barriers to create homeownership, wealth-building, and community revitalization opportunities persist. One such barrier is opaque and inequitable tax assessments. According to an [article](#) written by Nneka Nnamdi of Fight Blight B'More, “In 1972 a [HUD study](#) found largely Black East Baltimore (labeled as blighted) had 10 times the property tax burden of largely white Bolton Hill (labeled as upwardly transitional); a reporter for the Afro commented ‘Many a colored buyer has had the sad experience of having tax assessment upped, not lowered, when he moved in.’ This is perplexing considering that the Brookings Institute found that homes in predominantly black neighborhoods are appraised and [valued 23% lower](#) than comparable white neighborhoods, despite all else being equal. The compound effects of depressed housing values from historic race-based disinvestment and a disproportionate tax burden continue to plague Baltimore’s Black Butterfly. Higher

assessments result in higher property tax bills. And for a segment of Baltimore’s population that is hovering at the poverty line and on fixed incomes, even a small increase in property taxes can push a household further into financial distress and a neighborhood deeper into erosion.”

Tax sale in Baltimore City is a matter of race and equity – Tax Assessments play a role



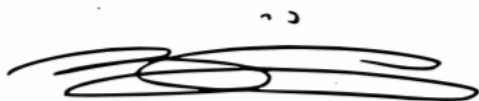
Parity currently works very closely with Maryland Volunteer Lawyer Services (MVLS), which is a non-profit organization that connects pro-bono legal services to low-income people needing civil representation, and Fight Blight Bmore (FBB) a grassroots advocacy organization to assist legacy homeowners in the Black Butterfly that are experiencing home loss due to tax sale and foreclosure. We also assist homeowners with applying to the Homeowners Tax Credit to lessen the burden of property taxes on households on a fixed income. This bill, would significantly help clarify and possibly make more equitable the tax assessment process to reduce home loss due to burdensome and opaque property taxes.

For these reasons, I request a favorable report of SB782.

Regards,

Bree Jones

Executive Director & Founder
Parity Baltimore Incorporated

A handwritten signature in black ink, appearing to read 'Bree Jones', with a stylized flourish underneath.

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SB0782-BT_MACo_SUP.pdf

Uploaded by: Kinnally, Kevin

Position: FAV



Senate Bill 782

*State Department of Assessments and Taxation -
Real Property Assessments and Appeals*

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

Date: February 24, 2021

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS** SB 782. This bill generally aims to provide more transparent, accurate, and timely property tax assessments, which will enhance equity and fairness for all taxpayers.

Uniform and accurate assessments are the foundation of fair property taxation. Maryland's triennial process and its three-year phase-in schedule provides stability and certainty for both taxpayers and local governments. The three-year reappraisal process is a reasonable compromise between the expense of annual reappraisals and the detrimental effects of longer assessment cycles.

Under current law, in any year of a three-year cycle, the State Department of Assessments and Taxation (SDAT) must revalue real property if substantial improvements add at least \$100,000 in value to the property. SB 782 requires revaluation if substantial improvements *or renovations* add at least \$50,000 in value to the property. This provides a more accurate estimate of a property's true market value, creating a more level playing field for all property owners by ensuring that all taxpayers pay their fair share of the total property tax.

SDAT should be able to implement the bill's requirements with existing resources, as local governments already provide the Department with information concerning building permits, property change of use information, property owner address changes, and other information to accurately make adjustments to the tax rolls.

SB 782 will provide more transparent and up-to-date property tax assessments. Accordingly, MACo urges the Committee to issue a **FAVORABLE** report on SB 782.

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Uploaded by: Higgs, Michael

Position: INFO



**DEPARTMENT OF
ASSESSMENTS AND TAXATION**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael Higgs, Director

DATE: February 24, 2021

BILL NUMBER: SB0782

COMMITTEE: Budget and Taxation

BILL TITLE: State Department of Assessments and Taxation – Real Property Assessments and Appeals

SDAT POSITION: Letter of Information

The State Department of Assessments and Taxation (SDAT) offers the following information for SB0782, a bill that would eliminate SDAT use of mass appraisal and require SDAT to prepare an individual appraisal based on an IRS guideline for each property in the State and hire 1,265 new assessors and 120 new positions for the Property Tax Assessment Appeals Board (PTAAB).

SDAT currently utilizes mass appraisal techniques based on International Association of Assessing Officers' (IAAO) guidelines. These guidelines are used in virtually every other county and municipality in the country to perform their essential assessment functions.

Current Staffing levels: The Department's 122 current residential valuation positions include assessors, assessor supervisors, and assessor team managers. After time expended on assessment appeals, and inspection and valuation of newly constructed buildings, each assessor has approximately 119 work days remaining each year to devote to the next year's reassessment. Based on the average number of 742,808 residential properties valued each year, SDAT's assessors value 51.16 properties per day utilizing the mass appraisal approach. This includes the time spent performing field inspections for building permits where necessary, verification of sales data for property transfers within 3 years, updating the computerized assessment data system, performing sales analysis, verifying that all statistical data metrics are met, and performing all of the checks and verifications requested by the Office of Legislative Audits.

Methodology for calculation: It is the understanding of the Department that private fee appraisers, on average, complete 5 to 10 residential property appraisals per work week, or an average of 1.5 per day. Assuming that the Department can complete 300% of a private fee appraiser's, or 4.5 residential property valuations per day, the Department would need to employ a total of 1,387 residential assessors and immediate supervisors to comply with this law.

Office of the Director

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Future staffing levels: SDAT currently employs 122 staff in residential valuation positions; this bill would call for the hiring of an additional 1,265 residential assessors and immediate supervisors (742,808 properties / 4.5 per day for 119 work days = 1,387 assessors – 122 current assessors = 1,265 new assessor positions required). PTAAB estimates it would need to run a second Board full time in each county, an estimated additional 200 Board Members at an annual cost of \$10.5 million. Additionally, the impact on PTAAB would create the need for 5 Program Manager Sr. II, 20 Assistant County Supervisors, 45 Assessments Office Managers, and 50 Office Secretaries to handle the increased workload.

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