

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



DANIEL K. PHILLIPS
Director

BOB YEAGER
Deputy Director

HEARING DATE: January 28, 2025

BILL: HB0023

TITLE: Property Taxes - Authority of Counties to Establish a Subclass and Set a Special Rate for Commercial and Industrial Property

SDAT POSITION: Letter of Information

The Department of Assessments and Taxation has reviewed this legislation and does not have a position, but advises that the Department will not be responsible for determining the class or subclass of a property for the purposes of taxation. Currently, properties are categorized by the Department primarily to determine how that property will be assigned to assessor staff. Residential assessors assess residential properties, commercial assessors look at commercial properties, and so on. If the local jurisdiction wishes to use the Department's records to determine a property's classification, it would be the jurisdiction's responsibility to negotiate that assessment with property owners.

The Department also is not capable of splitting a mixed use property by percentage into commercial and residential. The training and field work needed to conduct an individualized assessment at such a level would require far greater staffing capacity than is currently available. As written, this bill would put the responsibility on local governments to determine how those properties would be split.