



Senate Bill 10

Property Tax Assessments – Physical Inspection of Property

MACo Position: **SUPPORT**

To: Ways and Means Committee

Date: March 20, 2018

From: Barbara Zektick

The Maryland Association of Counties (MACo) **SUPPORTS** SB 10. This bill would repeal the requirement that the State Department of Assessments & Taxation (SDAT) perform a physical inspection of every property in every three-year assessment cycle. Instead, SDAT must perform physical inspections under specified circumstances, including when a property is initially valued, and when a significant change has occurred.

MACo agrees with SDAT that regular physical inspections of every property are no longer necessary. Counties regularly provide SDAT with copies of building permits, which relieves SDAT of responsibility for identifying new construction and substantial improvements on its own. Also, tools such as MRIS, CoStar, Real Capital Analytics, and aerial imagery enable assessors to accurately determine property values without always requiring physical onsite visits.

Further, MACo appreciates SDAT's willingness to work with counties on consensus amendments, passed by the Senate, requiring timely physical inspections of substantial improvements at a county's request when those improvements are valued at \$1 million or more. Ordinarily, SDAT performs timely physical inspections of new construction and substantial improvements upon receipt of a copy of the use and occupancy permit issued by the county. There are times, however, when a developer of large scale, commercial property does not pull a use and occupancy permit until long after substantial completion of the construction. This amendment allows counties to work with SDAT to perform the inspection and increase the assessment in a more timely manner, as contemplated under the law.

To improve state and local tax assessment efficiency and use of resources, MACo requests the Committee **SUPPORT** SB 10, as amended by the Senate.