



Senate Bill 115

Property Tax Assessments – Inspection of Property

MACo Position: **SUPPORT**

Date: February 3, 2016

To: Budget and Taxation Committee

From: Andrea E. Mansfield

The Maryland Association of Counties (MACo) **SUPPORTS** SB 115. This bill authorizes the State Department of Assessments and Taxation (SDAT) to use aerial or ground level photography or other similar technologies to perform property assessments. The use of these technologies will create operational efficiencies and enable SDAT to adequately assess properties, improving the accuracy and timeliness of assessments.

Under current law, SDAT is required to perform an exterior physical inspection on all real property once every three years for assessment purposes. However, staffing levels prohibit SDAT from meeting this statutory requirement.

An Assessment Workgroup (AWG), established pursuant to Senate Bill 172, *Budget Reconciliation and Financing Act of 2014*, examined this issue, in particular whether a physical exterior inspection of each property is necessary to properly assess real property for tax purposes. The AWG found that physical inspections are necessary on some periodic basis to ensure accuracies of assessments, but that new technology (oblique aerial photography) could be used to verify relevant property characteristics and update changes on properties without the need for a physical inspection. The use of this technology would also more easily identify properties requiring a physical inspection and allow SDAT to focus its time on property sales used in valuation, certain appeals, and new properties or those with significant changes.

As SDAT was just beginning a pilot on the use of this technology in Anne Arundel and Frederick Counties, the AWG recommended that no statutory changes be made to the timeframe for physical inspections at the time of the final AWG report and that the issue be revisited at the conclusion of the pilot.

MACo understands that the pilot was very successful in both jurisdictions and therefore, supports the use of this technology to assist with the assessment process. SB 115 does not eliminate the three-year requirement. Instead it requires a review of each property every three years either through the use of aerial or ground level photography, or a physical inspection. This approach will create operational efficiencies and enable SDAT staff to focus on those properties that need a physical inspection and new properties to assure property assessments are accurate and timely.

Accordingly, MACo would urge the Committee to give SB 115 a **FAVORABLE** report.