



**Presentation to the  
House Appropriations Subcommittee on Public Safety and Administration  
On the  
State Department of Assessments and Taxation  
March 4, 2015**

Thank you for the opportunity to speak today regarding the State Department of Assessments and Taxation (SDAT) and the recommendations of the 2014 Property Assessment Workgroup (AWG). The following individuals will comment on the AWG's findings and recommendations:

Linda Watts, Assistant Director, Finance, Howard County  
Mary Pat Fannon, Mayor's Office of Government Relations, City of Baltimore  
Andrea Mansfield, Legislative Director, Maryland Association of Counties (MACo)  
Michael Sanderson, Executive Director, Maryland Association of Counties (MACo)  
Tom Curtin, Associate, Governmental Relations & Research, Maryland Municipal League (MML)

Local governments and SDAT have a very unique relationship for property assessment purposes. Local governments rely on SDAT for accurate and timely property assessment information to process and send tax billings, and properly calculate tax credits. SDAT relies on local governments for information concerning building permits, property change of use information, property owner address changes and other information to accurately make adjustments to the tax rolls. This relationship emphasizes why the AWG and its recommendations are so important to ensuring a fair, equitable, and uniform system of property assessments for all taxpayers.

The AWG was established through the Budget Reconciliation and Financing Act of 2014 (SB 172) to examine issues related to the assessment process for real and personal property, tax credits, and tax exemptions. The AWG specifically examined four issue areas: 1) whether a physical inspection is necessary to properly assess real property; 2) the Department's ability to timely and adequately maintain changes in property status throughout the year; 3) the extent of discrepancies in certain tax credit programs and approaches for improving accuracy; and 4) the feasibility of, and any legal impediments to, contracting with a third party vendor for auditing of tax credits and exemptions, and personal property returns.

During discussions on these issues, three recurring themes emerged: 1) the need for business process and technology improvements in the agency; 2) the need for improved communication between SDAT and local governments; and 3) the need for more staffing to be considered once new technology and business changes are implemented. Numerous recommendations in the report support these themes, but two are tantamount to implementing the workgroup's recommendations and achieving success.

### **Creation of a State and Local Advisory Council**

Local governments strongly support the creation of a state and local advisory council to provide guidance on the implementation of the AWG recommendations concerning the physical exterior inspection of real property, the timely pickup of property, the calculation of tax credits and exemptions, and the verification and auditing of personal property assessments. As envisioned, the Advisory Council would improve communication amongst state and local partners and discuss the development of new business processes, the leveraging of technology with state and local partners to improve the assessment process, and other matters raised by the partners. We would hope that the effectiveness of this group would grow over time as ideas are shared and problems are jointly tackled to improve operations and create efficiencies.

### **Business Process Analysis**

To realize greater efficiencies within the assessment and other administrative processes of SDAT, local governments support the recommendation for a business process analysis to be performed. This analysis would examine how technology can be utilized to maximize efficiency and streamline operations in the performance of property assessments and other functions. The analysis could also recommend improvements to the transfer of data between SDAT and local governments. Local governments would support SDAT staffing levels being examined as part of this analysis.

As property tax revenue is local government's largest revenue source, local governments view themselves as business partners with SDAT. There are many good recommendations in this report and local officials look forward to working with SDAT to implement them.

Local governments believe these recommendations will improve the assessment administration and enhance equity and fairness for all payers of property taxes. We would urge the Subcommittee to support the creation of the State and Local Advisory Council and a business process analysis of the Department.