

For that reason, SDAT reviews accounts and obtains information from several sources. One source is a County rental license that each property owner must obtain prior to offering a residential property for rent. For information on how to obtain a rental license and for additional details on this program, visit the Department of Housing and Community Affairs at www.montgomerycountymd.gov/DHCA/housing/licensing or call 311.

OTHER CHARGES AND FEES

Solid Waste Charge - All ratepayers are billed directly for County supported solid waste and recycling services, facilities and programs. The solid waste charge is made up of components which vary based on the services provided. For non-residential property owners, the charge is based on the gross floor area and/or generator category, and for multi-family dwelling owners it is based on the number of units on file. For more information, visit the Department of Environmental Protection at www.montgomerycountymd.gov/dep or call 311.

Water Quality Protection Charge - This charge funds many of the County's clean water initiatives mandated by the State, including projects to restore eroded stream banks, upgrade stormwater ponds, control litter, clean storm drains, and install rain barrels, rain gardens and green roofs. A hardship exemption is available for homeowners and 501(c)(3) organizations, while property owners with stormwater controls may be eligible for a reduction. For more information, call 311 or visit the Department of Environmental Protection at <https://www.montgomerycountymd.gov/water/wqpc/index.html>

Bay Restoration Fund Fee – The State of Maryland levies a fee on all properties in support of a dedicated Bay Restoration Fund (BRF) used to improve the water quality of the Chesapeake Bay. Since most property owners receive water and/or sewer service from their utility company, the majority of taxpayers pay this charge on their utility bill. Those who have a septic system and do not receive water service from a public utility are levied the fee on their property tax bill. For more information on the BRF, visit the Maryland Department of the Environment at <https://mde.maryland.gov/programs/water/bayrestorationfund/pages/index.aspx> or call 410-537-3000. A financial hardship exemption for eligible homeowners is available. If you are levied the BRF on your tax bill and wish to determine if you meet the eligibility criteria, please visit us at <https://www.montgomerycountymd.gov/Finance/Resources/Files/BayRestorationForm.pdf> or call 311.



For Information Call 311 (240-777-0311 if Outside the calling area) or Visit our Website at: www.montgomerycountymd.gov/finance TTY: 711 (Hearing Impaired Only)



Montgomery County, Maryland
Department of Finance

Tax Facts Information About Your County Real Property Tax Bill

Tax Period:
July 1, 2023 through
June 30, 2024



For information about County programs and services, call 311 or go to www.montgomerycountymd.gov/311

Dear Montgomery County Taxpayer:

The Fiscal Year 2024 operating budget for the period beginning July 1 reflects our work to prudently manage the County's fiscal bottom line while strengthening our schools, protecting public health, improving public safety, investing in the jobs of the future, and growing the County's tax base.

Check out more details on the budget at <https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Index.aspx>

Property tax revenues are estimated to increase in the FY24 approved operating budget due to rising property values and a 4.7 cent increase in the property tax rate. This rate increase is dedicated solely to funding our public schools. The average County homeowner will see a \$9 monthly increase caused by rising assessments, and a \$21 monthly increase caused by the 4.7 cent increase in the property tax rate. The budget also includes a tax credit of \$692 for all owner-occupied, principal residences that had a Homestead Tax Credit application on file with the State Department of Assessments and Taxation. Under a new State law, that application must have been filed at any date through May 1, 2023 to qualify for the tax credit on this year's tax bill.

There are multiple programs to assist homeowners with their tax obligation including the following:

- **Homeowners' Property Tax Credit Program**--This program is available to reduce taxes for those living on limited or fixed incomes.
- **County Supplemental Tax Credit**--In addition to a State tax credit, households earning less than \$60,000 (Section 9-104(j) of the Tax-Property Article of the Maryland Code) may be eligible for the County Supplemental tax credit, which, combined with a special property tax credit for eligible senior residents (65 years or older), averaged \$1,181 last year and benefited over 3,842 County residents.
- **Elderly Individual and Military Retiree Property Tax Credit**--Another tax credit for eligible seniors is the Elderly Individual and Military Retiree Property Tax Credit, which is for residents at least 65 years of age who are either retirees from the Armed Services (or certain uniformed services), who are surviving spouses of deceased retirees from those Armed Services, or who have owned and lived in their owner-occupied homes for at least 40 years.

For more information on any of these programs, please contact MC311.com or call 311.

We encourage everyone living on limited or fixed incomes to apply for the Homeowners' Property Tax Credit. The State of Maryland will determine eligibility for residents. To apply, call 1-800-944-7403 or go on the web to dat.maryland.gov, click on forms, scroll down the page and click on Homeowners' Tax Credit Application.

Montgomery County is one of the best places to live, raise a family, earn a living, and grow a business. We are working together to make an outstanding county even better by investing in schools, public safety, job growth, and help for the vulnerable among us, while staying within our means.

As always, we welcome your comments and feedback.

Sincerely,

Marc Elrich
County Executive

Evan Glass
County Council President

SERVICES PROVIDED BY TAX REVENUES

County Property Tax – The General County tax is levied on all property in the County and funds, in part, such basic services as police protection, elementary and secondary education, the community college, transportation, health and social services, and libraries. There are additional County taxes that are levied either Countywide or in specially defined areas of the County to fund projects and programs. The following taxes are Countywide (all taxpayers pay these taxes): the Transit Tax, which funds public transportation services including the Ride On bus system, the Fire District Tax, which funds fire and rescue services, and the Advance Land Acquisition Tax, which funds land acquisitions by the Maryland-National Capital Park and Planning Commission (M-NCPPC). Five additional taxes are levied only in specially defined areas: the Metropolitan Tax funds M-NCPPC local park facilities and parks programs and the Regional Tax funds M-NCPPC planning and administrative programs, three taxes fund recreation facilities and programs, provide additional service in urban districts, and provide infrastructure in development districts (see below). Whether a taxpayer pays one of these special area taxes depends on where the property is located. To determine which Special Area taxes apply, please refer to the Tax Rate Schedule, as described below.

State Property Tax - This tax is levied by the State of Maryland for the payment of principal and interest on State bonds.

Municipal District Property Tax - This tax is levied by each municipal area within the County. Although the services provided by tax revenues differ for each municipality, they are used generally for street and sidewalk maintenance, trash removal, tree care, sanitation, and police protection.

Development Districts and Special Taxing Districts - If you own real property in tax classes R061 (Kingsview Village Center), R064 (West Germantown), or R065 (White Flint), additional charges will appear on your real property tax bill. Through the creation of development districts and special taxing districts, the County finances certain infrastructure improvements by issuing bonds secured by taxes and assessments levied on property in the district. An *ad valorem* special tax is levied on all real property located in the districts to generate revenues to pay the debt service on the special obligation bonds issued for each district. In the Kingsview Village Center and West Germantown Development Districts special assessments on undeveloped (not assessed at full value) residential property will generate revenues to pay the debt service on the special obligation bonds issued for each district. Revenues collected from each development district and special taxing district are used exclusively for that district.

TAX RATES AND TAX CREDITS

How the Tax Rate is Determined - The real property tax rate, which is set each year by the County Council, is an *ad valorem* tax, meaning it is applied to the assessed value of the property. The fully phased-in assessed value equals the full cash value of the

property. The real property tax is levied annually on all taxable land and improvements.

Tax Rate Schedule - For a detailed tax rate schedule for real and personal property taxes, visit the Department of Finance at <http://www.montgomerycountymd.gov/finance/taxes/rates.html> or call 311.

Assessment Information - All property in the County is subject to taxation, unless specifically exempt. Each property is assessed every three years by the State Department of Assessments and Taxation (SDAT) and certified to the County for tax billing purposes. For more details about your assessment and the appeal process, visit SDAT at <http://dat.maryland.gov/> or call 240-314-4510.

Tax Credit Information - The County offers many tax credits and exemptions against the real property tax for which you may be eligible. To learn more, visit us at www.montgomerycountymd.gov/propertytaxcredits.

Homestead Property Tax Credit - To assist homeowners who are affected by large assessment increases, the State of Maryland, Montgomery County, and municipalities limit the annual taxable assessment increase to 10% for principal residential properties, except for the Town of Kensington which has a 5% limit. This limit, called the Homestead Credit, is not applicable the first year following the purchase of a home, and therefore the taxable assessment may be higher than it was for the previous owner. Property owners are required to file an application with SDAT which administers this credit. If you wish to learn more about the program, visit SDAT at <http://dat.maryland.gov/realproperty/Pages/Maryland-Homestead-Tax-Credit.aspx> or call 866-650-8783 (toll free).

ITOC RECAPTURE LY22

If the ITOC Recapture LY22 charge IS showing on your bill

Most homeowners will not have this charge on their bill. However, if this charge is on your bill, it means you do not have a Homestead Tax Credit application on File with SDAT. Beginning with Levy Year 2022 (LY22), the period July 1, 2022, through June 30, 2023, State law requires a Homestead Tax Credit application to be on file with SDAT to qualify for the County Income Tax Offset Credit (ITOC). The ITOC is listed as “County Property Tax Credit” on tax bills and has been \$692 for each eligible property for several years. If you have “ITOC Recapture LY22” and the property is your primary residence, please apply for the Homestead Tax Credit to receive the ITOC again beginning July 1, 2024. The Homestead Tax Credit is a one-time application and is necessary to ensure that the ITOC appears on future tax bills. To apply for the Homestead Tax Credit online, go to: <https://sdathtc.dat.maryland.gov/> or for a paper application, go to: https://dat.maryland.gov/SDAT%20Forms/Homestead_application.pdf.

If the ITOC Recapture LY22 charge IS NOT showing on your bill

You have a Homestead Tax Credit application on file with SDAT and there is nothing further you need to do.

Property Tax Disclosure – Montgomery County requires that residential property owners who sell their home must estimate and disclose to the prospective buyer the property tax for the subsequent levy year. Since the buyer will not be eligible for the homestead credit in the first year following purchase of the new home, the difference between the current year’s and next year’s tax can be significant. This disclosure requirement assists the consumer when purchasing a home

in the County. To obtain more information and review the online tax calculator, visit the Office of Consumer Protection at <https://www2.montgomerycountymd.gov/estimatedtax/default.aspx> or call 240-777-3636.

Homeowners Property Tax Credit – Maryland Homeowners Property Tax Credit and Montgomery County supplement are administered by SDAT. These tax credits are granted to eligible homeowners of all ages, with the exception that taxpayers age 70 and older may file three years retroactively. Applications must be filed by October 1st. The program provides tax credits for homeowners who qualify on the basis of their household income compared to their tax bill. State and County programs use (1) a maximum property assessment of \$300,000 to compute the credit, and (2) require net worth not to exceed \$200,000 excluding the value of the primary residence and qualified retirement assets. For more information or to obtain an application, visit SDAT at <https://dat.maryland.gov/realproperty/Pages/Homeowners%27-Property-Tax-Credit-Program.aspx> or call 800-944-7403.

Senior Property Tax Credit – The County offers a property tax credit for senior residents, based on 50% of the combined State and County Homeowners Tax Credit. This credit is available to residential property owners when one of the owners is at least 65 years of age. If you applied for the Homeowners Tax Credit, SDAT has the age information to determine eligibility and there is no need to apply for this credit separately. However, you must apply for the Homeowners Property Tax Credit to be considered. For specific questions about this program, call SDAT at 800-944-7403.

Elderly Individual/Military Retiree Tax Credit The County offers a property tax credit for property owners aged 65 and over who either (1) have owned and lived in their home for the last 40 consecutive years, OR (2) are retired from one of the United States’ armed forces, including military reserves, the National Guard, the uniformed corps of the Public Health Service and the uniformed corps of the National Oceanic and Atmospheric Administration. For information about this tax credit, please call 311 (240-777-0311).

Fire Sprinkler System Tax Credit - The County offers a one-time real property tax credit of up to 50% of the General County real property tax to partially offset the cost of installing an approved complete automatic sprinkler system used for fire protection in any detached single-family or attached dwelling unit, or multifamily building in which a fire sprinkler system was not legally required to be installed. For more information or to obtain an application form, visit us at www.montgomerycountymd.gov/finance and click on “Taxes” then “Individual Tax Credits” or call 311.

TAX PAYMENT INFORMATION

When Taxes are Due - Payments for annual bills and the first installment of semi-annual bills must be received (postmark is not sufficient) on or before September 30th, and become delinquent on October 1st. The second semi-annual installment payment must be received on or before December 31st, and becomes delinquent January 1st. Delinquent taxes are subject to interest

and penalties at the rate of 1-2/3% per month until paid in full and are calculated on the net amount of the bill, after any credits are applied. Delinquent taxes, including unpaid penalty and interest charges, are a lien on the property and are sold in accordance with all State laws during the subsequent calendar year. A tax lien sale will also occur if the original amount on the tax bill was paid, but penalties and interests remain unpaid. Accounts eligible for tax lien sale are listed for four consecutive weeks in a Montgomery County newspaper and are subject to a \$50 tax sale fee. Property tax accounts taken to tax sale are subject to redemption interest and may be subject to additional costs incurred by the certificate holder.

Taxes on principal residential properties are paid on a semi-annual schedule unless a taxpayer chooses to make both payments on or before September 30th. Taxpayers who escrow their payments may elect to pay annually, but must notify their lenders by May 1st of their intent to pay annually. Taxpayers will receive a tax bill that will permit those who do not escrow their taxes to pay on either a semi-annual or annual basis. Semi-annual bills include two payment coupons, while annual bills include one coupon. Payments for partial year levies (three-quarter, half year, or one-quarter) for newly constructed properties are due 30 days after the bill is mailed.

Real property taxes on residential and commercial properties defined as “small business” are also eligible for semi-annual payment. For more information on the semi-annual program, please visit us at www.montgomerycountymd.gov/finance and click on “Reviews & Bulletins” under the link for “Taxes.”

How to Pay Taxes - Taxpayers have four options for paying their property tax bill:

1. Pay online using electronic check, debit card, or credit card on the County’s website at <https://apps.montgomerycountymd.gov/realpropertytax/>. Convenience fees are charged if payment is made by credit or debit card.
2. Pay by telephone using an electronic check, debit card, or credit card (American Express, Discover, MasterCard, and VISA) by calling 240-777-8898. Convenience fees are charged if payment is made by credit or debit card.
3. Pay by mail with a check payable to Montgomery County, Maryland. Include coupon and mail to Montgomery County, MD, P.O. Box 824845, Philadelphia, PA 19182-4845.
4. Pay in person at the Division of Treasury, 27 Courthouse Square, Suite 200, Rockville, MD. Payment options: cash, check, debit or credit card (American Express, Discover, MasterCard, and VISA). Money Orders are not accepted. Convenience fees are charged if payment is made by credit or debit card.

Convenience Fee - Payments by credit or debit card, whether being made online, by phone, or in person, are assessed a convenience fee of approximately 2.3% of the payment amount. This fee is levied by the payment processing company and cannot be waived by the County. The convenience fee is non-refundable if a property tax refund is requested. Payments made by electronic check through our website and telephone service are free of charge.

Online Banking - Customers using online banking services are advised to schedule their payments to be made a minimum of five

business days in advance of the due date to ensure timely delivery and avoid late fees (as such payments may be delivered by U.S. mail and not sent electronically). An alternative is the “Electronic Check” feature on the County’s website which provides true electronic payment delivery, free of charge, and an assured delivery date.

Mortgage Information - All taxpayers receive the original tax bill and are responsible for ensuring that their taxes are paid on time. The County tax bill displays in the Mortgage Information Box the name of your mortgage lender if it participates in the County’s electronic data retrieval and tax payment (mass-pay) program at the time the bill is prepared. Taxpayers are encouraged to review the lender information on their tax bills. The County makes individual billing information available to mass-pay participating lenders for making escrowed payments. Property owners may wish to contact their lender to ensure that their bill will be paid. If their lender does not have the correct billing information, the property owner should forward a copy of the tax bill to the lender. Disputes arising from non-payment or late payment of escrowed taxes must be resolved between the taxpayer and their lender.

Even though taxpayers may have established an escrow account with their mortgage lender, lenders do not pay Supplemental levies for newly constructed properties and additions. Therefore, taxpayers must ensure that payment is made. We encourage you to verify that your taxes have been received by the County and whether you owe interest and penalty. You may check your account at the County’s website, call 311, or visit our office.

Change of Address - In Maryland, SDAT is the official custodian of all addresses relative to State and County taxes. If you wish to change your mailing address you must notify SDAT by visiting their website at <https://dat.maryland.gov/> or by calling 240-314-4510. Please note that failure to change the mailing address does not relieve the taxpayer of the obligation to pay the property tax bill.

Principal Residence or Rental Property – SDAT determines if a residential property is owner-occupied and thus qualifies as a principal residence, making it eligible for homestead credit, semi-annual payment, or homeowner’s tax credit (if applicable).