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/dcp 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 www.montgomerycountymd.gov/DEP/water/wqcp.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 www.mde.state.md.us/programs/Water/BayRestorationFund/Page or call 311.

For information Call 311 (240-777-0311 if Outside the calling area) or Visit our Website at: www.montgomerycountymd.gov/finance

Montgomery County, Maryland
Department of Finance

Tax Facts
Information About Your County Real Property Tax Bill

Tax Period: July 1, 2017 through June 30, 2018

Dear Montgomery County Taxpayer:

Budgets are about making choices and matching our most important needs as a community to the resources available.

The Fiscal Year 2018 operating budget for the fiscal year beginning July 1 continues our work to prudently manage the County’s fiscal bottom line while strengthening our schools, protecting our families and property, and investing in the jobs of the future and growing the County’s tax base.

For more information on the BRF, visit the Maryland Department of the Environment at www.mde.state.md.us/programs/Water/BayRestorationFund/Page or call 311.

The increase in the FY2018 budget is 2.8 percent – just about the rate of inflation. Over the past decade tax-supported County government spending has gone up only a little more than 2 percent. The FY2018 budget stays within the County’s Charter Limit. We cut the property tax rate by 2.5 cents. The average County homeowner will see only a $20 increase for the entire year, an increase that principally to rising home assessments. The budget also includes a tax credit of $692 for all owner-occupied residences.

To assist homeowners with their tax burden, the Homeowners’ Property Tax Credit Program is available to reduce taxes for those living on limited or fixed incomes. Information about this program, including how to apply, is in this Tax Facts brochure. Another alternative for eligible Seniors is the new Elderly Individual and Military Retiree Property Tax Credit, for residents at least 65 years of age who are either retired from the Armed Services or who have owned and lived in their homes for at least 40 years. Renters with limited incomes may be eligible for the Renter’s Credit program – for information about the Elderly Individual and Military, Renter tax credit or the Renter’s Credit, you can call 311.

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

As always, we welcome your comments and feedback.

Sincerely,

Isiah Leggett
County Executive

Roger Berliner
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 (MCNPPC). Five additional taxes are levied only in specially defined areas: the Metropolitan Tax funds M-NCPCC local park facilities and parks programs and the Regional Tax funds MCNPPC 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 District, residents pay special assessments on undeveloped (not assessed at full value) residential property located in the districts; these assessments 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
Property owners are required to file an application with SDAT following the purchase of a home, and therefore the taxable except for the Town of Kensington which has a 5% limit. This assessment increase to 10% for principal residential properties, Montgomery County, and municipalities limit the annual taxable are affected by large assessment increases, the State of Maryland, – Montgomery County requires that Homestead Property Tax Credit be eligible. To learn more, visit us at www.montgomerycountymd.gov/finance and click on “Taxes” under the link for “Taxes” or call 311.

Charter Limit - Section 305 of the County Charter requires that “Unless approved by an affirmative vote of nine, not seven, Council members, the Council shall not levy an ad valorum tax on real property to finance expenditures that will produce total revenue that exceeds the total revenue produced by the tax on real property in the preceding fiscal year plus a percentage of the previous year’s real property tax revenues that equals any increase in the Consumer Price Index as computed under this section. This limit does not apply to revenue from (1) newly constructed real property, (2) newly rezoned property, (3) property that, because of a change in state law, is assessed differently than it was in the assessed in the previous tax year, (4) property that has undergone a change in legal description, or (5) the property development program used to fund capital improvement projects.”

Tax bills for levy year 2017 reflect target revenues at the limit allowed by the Montgomery County Charter. The target revenue for levy year 2017 is achieved through a 2.5 cent rate reduction for all property owners and a one-time property tax credit of $692 for each principal residential property.

Assessment Information - All property in the County is subject to taxation, except that which is specifically exempt. 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 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 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. A property’s 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-TaxCredit.aspx or call 866-650-6783 (toll free).

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. Section 305 of the code requires a new owner not to be entitled for the homestead credit in the first year following purchase of the new home, the difference between the current year’s and next, non-appraised year. 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 http://www.montgomerycountymd.gov/apps/OPC/ Tax 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 ages 65 and older may file three years retroactively. Applications must be filed by September 1st. To be eligible for this credit, the taxpayer must own and reside in the property and qualify on the basis of their household income compared to their tax bill. State and County programs use (1) a maximum property tax assessment, (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 http://dat.maryland.gov/SDAT%20Forms/HRTC.pdf 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 owner’s 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.

"NEW! Income Tax Offset Tax Credit" — Bill 48-16 clarifies that this tax credit, labeled "County Property Tax Credit" on a tax bill, may only be granted to owner- occupied residential properties. Beginning with Levy Year 2017, properties that are determined to be not owner- occupied will have the credit removed. Owners who want to dispute the removal of this credit can call 311 or apply for reinstatement of the credit at our website: http://www.montgomerycountymd.gov/Finance/TOCappeal

Fire Sprinkler System Tax Credit - The County offers a one-time real property tax credit of up to 50% of the General County’s sale fee. 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 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. In addition, the taxpayer will owe an amount equal to the interest and penalty, even if the amount of the original tax bill was paid. Accounts eligible for interest and penalties are payable in the first week of the month following the 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 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 lender 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 levy years (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 programs, 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. Use the electronic check, debit card, or credit card on the County’s website at www.montgomerycountymd.gov/finance and click on “Taxes” then “Individual Tax Credits” or call 311.

2. By telephone using a debit card or credit card (VISA, MasterCard, American Express, and Discover) by calling 888-255-0029.

3. Pay by mail with a check payable to Montgomery County Treasurer to Montgomery County, MD, P.O. Box 824845, Philadelphia, PA 19182-4845.

4. Pay in person at the Division of Treasury, 25 Rockville Pike (Monroe Street entrance), Suite L-15, Rockville, MD. Payment options: cash, check, debit or credit card (VISA, MasterCard, or Discover Card).

Convenience Fee: Payments by credit card or debit card are a convenience fee of approximately 2.5% of the payment amount. This fee is levied by the payment processing company and cannot be waived by the County. Payments made by electronic check through our website are free of charge.

On-line Banking – Customers using on-line 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 escrow 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 can 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 property records relative to State and County taxes. If you wish to change your mailing address you must notify SDAT by visiting their website at 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).