

**WES MOORE**  
Governor

**ARUNA MILLER**  
Lt. Governor



**DANIEL K. PHILLIPS**  
Interim Director

**VACANT**  
Deputy Director

Report Due: July 1, 2024

The Honorable Guy Guzzone  
Chair, Senate Budget and Taxation Committee  
3 West Miller Senate Office Building  
11 Bladen St.  
Annapolis, MD 21401

The Honorable Ben Barnes  
Chair, House Appropriations Committee  
121 House Office Building  
6 Bladen St.  
Annapolis, MD 21401

**Re: 2024 Joint Chairmen's Report  
(p. 52 – Assessment Mailing Error Report)**

Dear Chairman Guzzone and Barnes:

Per the 2024 *Joint Chairmen's Report* (JCR), the Department of Assessments and Taxation is required to submit a report on the 2023 reassessment notice mailing error, including details of the third party vendor contracted to print and mail the notices. Please find attached the Department's report detailing the error, including information on how the Department intends to remedy the issue moving forward.

This review will detail events leading up to and following the discovery that 100,009 reassessment notices had not been mailed out by January 31, 2024. Furthermore, the Department has requested the Department of Budget and Management to conduct an independent audit to ensure any remedy subsequently implemented will be based on recommendations from a neutral third party.

The Department of Assessments and Taxation respectfully requests the release of the \$500,000 general fund appropriation restricted per the 2024 JCR.

Very truly yours,

Daniel K. Phillips  
Interim Director

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## **General Reassessment Notice Procedure**

Per Tax - Property Article § 8-401, if there is any change in the value or classification of an assessed property, the Department is required to provide the property owner written notice of an assessed change. Except for the taxable year beginning July 1, 2024 and until June 30, 2025, failure to send a notice of any change in value or classification within 30 days of January 1 creates an irrebuttable presumption that the prior value of the property has not changed.

On November 1, 2023, Lisa F. McDonald, Chairman of the Preference Purchasing Pricing and Selection Committee notified the Department that they have “certified a fair market price of \$208,543.64 for printing and mailing services for the Maryland State Department of Assessments and Taxation located at 301 W. Preston Street, Baltimore, MD 21201 for a period of one (1) year, without optional renewal, beginning November 1, 2023.”

The Purchasing Pricing and Selection Committee noted that “SDAT has requested a 1-year contract term as they plan to have major changes to the Scope of Work in the coming year... This contract saw an increase of 41.8% annually... the quantity increased from 775,000 to 780,000.”

Maryland law grants specified preferred providers the right of first refusal on most Departmental procurements. Maryland Works is one such preferred provider, and the Department uses its subsidiary known as The League for People with Disabilities (League Industries or the League) for the printing and distribution of its triennial reassessment notices. Since 2018, the Department has had a three year base contract with two optional one year renewals. The following is a timeline of the Department’s contracts with the League beginning November 1, 2018, which was a three year base agreement with two one-year renewal options.

- Year 1 - November 1, 2018 - October 31, 2019 - \$144,717.40
- Year 2 - November 1, 2019 - October 31 - 2020 - \$147,859.40
- Year 3 - November 1, 2020 - October 31, 2021 - \$151,158.80
- Renewal Year 1 - November 1, 2021 - October 31, 2022 - \$154,535.70
- Renewal Year 2 - November 1, 2022 - October 31, 2023 - \$157,915.00

For the most recent cycle, the Department held a one year contract from November 20, 2023 to November 13, 2024 for \$208,543.64, bringing the six year total to \$964,729.94. Included in the contract is a Scope of Work which details the notice design, the vendor’s responsibility, and any applicable deadlines.

Before the most recent reassessment cycle, the Department sent out a reassessment notice like the one shown in the attached Sample 1.

To generate notices for each property account, the League developed and maintained custom software to merge the Department’s reassessment information with standard form information. The software would receive data from SDAT including, but not limited to:

- The name of the property owner
- The property address

- Prior Market Value
- Proposed New Market Value
- A schedule of the phase-in for the proposed value over the subsequent three years

Each data point that changes from account to account is known as a “variable.” The League’s software uses dynamic scripting to populate each notice with the unique variables associated with the property account. Prior to the most recent reassessment cycle, the custom software used by the League would integrate 44 such variables into each notice which were unique to that particular property account. The notices were four pages in length, and one page on each notice required dynamic scripting. The other three included form language sent to all properties.

Prior to 2023, the custom software received the Department’s data, produced control totals, formatted the presort system output for assessment notices, and produced print output in batches of 5,000 notices for League Industries’ printers. The printed output was then folded, inserted, prepared for the Post Office, and warehoused until the mailing day. Notices are categorized by zip code into “presorts” before being sent to USPS.

## **2024 Reassessment Notice Error**

In 2023, the Department began to pursue a complete redesign of its reassessment notices. The new notices were intended to be more informative, legible for elderly users, and inform recipients of additional services provided by the Department. This new reassessment notice included 86 variables. The new notices sought to incorporate public feedback regarding agricultural properties. It was three pages long, including two pages which required dynamic scripting. The Department met with the League in September to discuss the changes necessary to have the new notices printed and ready for its 2024 mailing.

The League indicated that those changes would require significant programming to function, and that the original programmer of the custom software would not be available to make the changes required for a dramatically revised notice. Instead, the League proposed using MS Word Merge to fill and print the notices, but to do so by the year-end deadline, they would need a finalized version of the reassessment notices by October 1.

Some employees within the Department expressed concerns about the truncated timeline and advocated that the Department wait another year to ensure implementation is successful. The Department acknowledges that failure to heed these warnings, and its rush to use the new design for the 2024 notices, contributed to the technical errors that followed.

## **Timeline of reassessment notice error**

### **9/22/2023**

The League informed the Department that changes could be implemented for the 2024 notices, but that League Industries needed to start the changes immediately, including: layout of the revised notice, receipt of the new file layout, and possible envelope redesign. League Industries also requested two additional weeks from the receipt of the data files to the mailing date, moving from Thanksgiving week to the first week of November. The League stated that while it could move ahead with the Thanksgiving week timeline, that would remove any extra time to ensure proper mailing.

### **10/6/2023**

Processing schedule sent from the Department to League Industries. The date to receive the data was still Thanksgiving week, effectively denying the extra time requested for the increased printing and modified processing. It was noted that the mailing date was moved to 12/28 to allow for two extra days.

### **Oct-2023**

Specifications and layouts evolved for notice and envelope artwork revisions, data formatting, and notice variable-data layout and formatting.

### **11/21/2023**

Live data file transferred to League Industries. This was one day later than scheduled.

### **11/22/2023**

Live sample notices produced and sent to the Department via email. The samples had an error in that the 2nd line of address was not imported into the mailing system which affected the USPS presort and printed notices. The Department sent a notice of the address errors to the League. The postal processing was re-run and corrected, samples generated, and emailed. The revised samples were approved that day.

### **11/28/2023**

Production notice generation and printing begins. The League observed that MS Word Merge was dramatically slower than anticipated. Examples of the processing rates observed:

- 1) Merge 1,000 records = 1-2 hours
- 2) Merge 5,000 records = 8 hours
- 3) Merge 10,000 records = 1.5 days

The League Reported that no solution seemed to be available to speed up the processing. It appears the issue was a combination of the large number of records and very large number of variable fields in the notices. The League determined that a solution to the problem was to run several copies of MS Word on the desktop computers at League Industries. To speed up the processing, instead of accessing the

presorted data on our network server, a copy of the data was placed on each computer's desktop. The Department was not aware of this issue at the time.

### **Nov & Dec 2023**

While previously, all custom data went through one computer, the League separated presorts among five computers. Presorts placed on the computers, however, mistakenly did not include the 2nd address. This resulted in data being ordered differently than a network version that was being used, which did correctly include the second line of addresses. The operators of the computers were asked at each new Word Merge to declare what data they were merging; sometimes they answered the network version (correct presort #2) and sometimes the desktop version (incorrect presort #1). Though the two versions of presorts had the same number of envelopes in a tray, the fact that they were ordered differently caused some duplicate notices to be produced, and others not at all. It was not noticed that the notices being generated were from two different presorts at that time.

### **12/14/2023**

Quality control walkthrough with the League. Each notice verified by SDAT staff had correct data in all fields. Due to MS Word Merge only producing a small amount of notices at a given time, the Department was provided a significantly smaller sample size to choose from.

### **12/27/2023**

The League stated that it would not be able to meet the mailing deadline of 12/28/2023 and did not offer a solution at the time.

### **12/28/2023**

The League informed the Department that only 625,000 notices would go out on time and the remainder would be late.

### **1/2/2024**

The League informed SDAT that 100% of the mail had been sent.

### **1/3/2024**

The first information about an error in the processing was an email from Supervisor Dan Phillips to the League on 01/03 about mail returned to the Charles County Assessment Office for insufficient addressing (missing an address line). The League was unsure of what could have caused the error at that time.

### **1/9/2024**

The League stated that it was unable to definitively determine the reason for the duplicate notices, saying it was "perplexed."

League Industries was informed by the Department that several taxpayers had notified their local offices that they received duplicate notices and were wondering why. All the initial errors were created from a batch of 100,000 records Word Merged on a single computer. The operator immediately remembered switching back and forth between the desktop and network versions of the presort. At this point the League believed the error only occurred on that one computer immediately began determining which notices were generated from which presort.

**1/16/2024**

The League provided SDAT a list of 29,689 notices that were not mailed.

**mid-January 2024**

The Department continued to report duplicate and incomplete addressed notices, making it clear that the problem was more extensive than the 29,688 notices from the one computer. The League began a comparison of the notice PDFs printed to the two presorts in order to determine the source of each printed notice. At the same time, The Department placed an emergency order for additional envelopes. Due to the mailing being administered through MS Word Merge, not the custom software, the League was unable to easily track or provide an accounting of those addresses that had not been sent a new notice.

**1/30/2024**

The League assured the Department that any remaining notices that had not been sent would be by the end of the day. The League stated soon after that 100% of the notices had gone out before the 1/31 deadline.

**2/2/2024**

SDAT contacted the Office of Legislative Audits to request a thorough review regarding the distribution of Maryland Real Property reassessment notices in accordance with a contract with the League.

**2/6/2024**

The League notified the Department that there were some additional accounts that did not have notices printed and mailed, but it had not yet determined the number. This was the first indication that the Department received that notices had been sent out after January 31.

**2/6/2024**

SDAT alerted the Department of Budget and Management Audit Compliance Unit to the issue regarding the League, citing that it was not confident that the League has the correct information available.

**2/7/2024**

The League notified the Department of additional accounts that did not have notices printed, this was not the final number.

**2/13/2024**

The Department generated PDFs for replacement statements and transmitted them to the League. New, corrected notices were generated and printed within several days. All the materials, labor, and postage for the two make-up mailings (01/16 and 02/17) were paid for by League Industries.

### **Missed Mailings and Potential Losses of Revenue**

As shown in Table 1 below, missed notices were distributed across counties and were generally proportionate to the total number of property accounts in each county. In total, 100,009 property accounts were not sent a reassessment notice by the January 30 deadline. If all property accounts reverted to their previous assessed value, the resulting revenue shortfall would be \$151,616,603 to counties, and \$18,432,477 to the State:

| <b>County</b>   | <b>Number of Accounts</b> | <b>Total 3 Year Revenue Loss</b> |
|-----------------|---------------------------|----------------------------------|
| Allegany        | 1,668                     | \$494,605                        |
| Anne Arundel    | 8,148                     | \$11,019,519                     |
| Baltimore City  | 4,268                     | \$7,299,526                      |
| Baltimore       | 13,849                    | \$15,966,198                     |
| Calvert         | 2,254                     | \$2,220,557                      |
| Caroline        | 156                       | \$63,528                         |
| Carroll         | 569                       | \$1,093,028                      |
| Cecil           | 12,461                    | \$12,843,137                     |
| Charles         | 3,583                     | \$4,685,131                      |
| Dorchester      | 616                       | \$362,111                        |
| Frederick       | 2,253                     | \$5,690,878                      |
| Garrett         | 804                       | \$1,433,290                      |
| Harford         | 7,311                     | \$7,548,091                      |
| Howard          | 2,735                     | \$5,727,189                      |
| Kent            | 231                       | \$179,450                        |
| Montgomery      | 9,851                     | \$32,238,044                     |
| Prince George's | 16,622                    | \$25,528,514                     |
| Queen Anne's    | 1,124                     | \$1,141,110                      |
| St. Mary's      | 1,626                     | \$2,288,413                      |
| Somerset        | 726                       | \$306,987                        |
| Talbot          | 381                       | \$349,480                        |

|                |         |               |
|----------------|---------|---------------|
| Washington     | 1,125   | \$1,206,635   |
| Wicomico       | 1,904   | \$1,221,812   |
| Worcester      | 5,744   | \$10,709,370  |
| Total Counties | 100,009 | \$151,616,603 |
| State          |         | \$18,432,477  |

**Table 1: Property Accounts Which Had Not Received Notices by January 31, 2024**

With the passage of House Bill 1516 / CH 384 - Real Property Assessments - Notice of Change in Value or Classification - Time Period, 2024 reassessment notices were required to be mailed out by May 1, 2024. Under Maryland law, all properties sent a reassessment notice between January 31, 2024 and May 1, 2024 would not have their assessed property value reverted to their previous assessments. The anticipated impact as a result of the legislation is that counties and the state will not experience any revenue shortfalls whatsoever. This is contingent on the Department having sent out all remaining reassessment notices by May 1 of this year. The Department is not aware of any reassessment notices that have not been sent out prior to the May 1 deadline, however, it has engaged the Department of Budget and Management to conduct an independent review to confirm that this is the case. As of this report, that review has not yet been completed.

### **Departmental Response**

The Department has identified several points of failure which contributed to the reassessment mailing error:

- Failure to provide the vendor adequate notice of design change
- Failure to heed advice of staff
- Lack of communication from the League when mailing issue became apparent
- Lack of clarity in the scope of work between The League and The Department
- The Department was unable to verify the League's assurance that 100% of the notices had been mailed.
- The Department was unable to verify the League's statement that the remaining notices would be mailed by the end of the day.

Although the previous contract contained clauses regarding proofing and damages, SDAT was unable to expedite project completion due to contract compliance failures. The contract stipulated deadlines and quality controls which were not enforced. The agreement also required thorough proofing and approval processes to catch errors before final printing. Proofing for print errors was done on a limited number of test samples. The test samples reviewed did not display any data errors. Furthermore, the scope of work was not clearly outlined to delegate the appropriate roles and responsibilities between the Department and the League.

When considering the next contract, the Department intends to clarify the terms of its contract to strengthen the integrity of the process moving forward. The Department will delegate a project manager, specifically, to ensure future compliance and strict adherence to all contract terms, including clauses related to damages and proofing. This will enhance accountability and ensure that vendors and the Department are equally held to the highest standards. Previously, that role was not delegated to one specific staff member. Furthermore, in crafting the contract, the Department dealt specifically with the sales team and not operations management. While Director Higgs clearly did not heed the advice of Department staff, the vendor's operations management did not have any influence over the drafting of the previous contract.

Moving forward, negotiations will be held with vendor stakeholders directly involved in operations. This allows the terms to take on-the-ground processes into consideration from the moment an agreement is reached. The appointment of a dedicated project manager would ensure rigorous adherence to contract terms, enhance vendor management, and improve the overall quality and reliability of the Department's print jobs. Below are several recommendations by the Department for quality management clauses to be considered for its next contract:

- Require that the vendor create a unique identification number that is located on each notice in the order that it is printed. The vendor is then required to provide the Department with a file listing each Account and its Unique Number. In the past the vendor has used a number with batch and tray number for the notice print job, but this has not been provided to the Department.
- Create a Quality Control Checklist that is referenced each year to randomly pull various reassessment notices and review data variables prior to mailing. The checklist would include the many variables that impact the notice (i.e. Mailing Addresses, Values, Taxable Assessments, Credits, Exemptions, etc...).
- Request that the vendor print notices by County Code then Zip Code order. If batches are completed by their county code, the Department will be able to research and randomly pull notices for the different counties with a higher degree of ease and efficiency.
- Upon the renewal of this vendor's notice printing contract, adjust the contract's end date to be July 1, instead of Oct 1. This creates more time from our reassessment notice deadline if significant changes to the contract are made in the future

Additionally, to ensure that such errors are not repeated and to strengthen our process moving forward, the Department has enlisted the assistance of a third party (DBM) to conduct an independent review of the contractor relations. The Department believes that in conducting this audit we can receive actionable recommendations, improve performance metrics for future vendor management, and strengthen internal processes and controls to ensure higher standards of quality and reliability for Maryland property owners. The Department has several anticipated dates for benchmarking progress moving forward:

**July 1**

Deadline for the League to receive the notice design template for the 2025 mailing. The Department will be using a notice with one page of dynamic scripting. The League has already identified programmers who will be able to achieve the design on this timeline, well in advance of notice mailings.

**September 1**

Deadline for vendor completion of programming for pages that require dynamic scripting in the new notice template.

**September 12**

Final approval of contract by the Purchasing Pricing and Selection Committee and anticipated completion of contract with the vendor. The contract will incorporate recommendations by DBM along with some of the above recommended actions.

**September 30**

Quality control list to be completed and reviewed by the Department and the League.

**Week of October 7**

Deadline for the League to supply the Department with the page using dynamic scripting in electronic format for quality control.

**November 8**

Hard deadline for data test files to be delivered for a test print to verify the process.

**Week of November 11**

Department testing and quality control of printed assessment notices. The League prints notices for each county code and will provide SDAT the unique notice ID with account information for that notice run. Test samples will be provided to SDAT and reviewed for quality control.

**November 13**

Expiration of current contract with the League, and beginning of new contract with the League.

**Week of November 18**

The Department will send reassessment notice data to the League. The Department will conduct onsite inspections throughout the printing process.

**December 30**

Deadline to send out 2025 reassessment notices.

**First week of January**

Post-run quality control check. The Department will verify postage cost and paper counts per normal procedure. The Department will also implement a new control using sample notices to mail to each assessment office, verifying delivery time and quality of the notices.

## **Anticipated Legal Response**

With the passage of House Bill 1516, there are no current legal ramifications for any reassessment notice that was mailed out following January 31, 2024, or prior to May 1, 2024. Failure to send a reassessment notice by May 1, 2024 would create an irrebuttable presumption that the relevant property's value has not changed since the previous assessment cycle, and thus that property's value would revert. Any property owner receiving a notice has 45 days from the date of the notice to appeal an assessment, including those that were mailed a notice after January 31. Challenges to a property's value are taken through a three step appeals process:

1. **Supervisor Appeal** - The Supervisor for the relevant County Assessment Office will review a challenge to the property's assessed value and may make an adjustment to the value if it appears that there was an error. If the Supervisor's determination is unacceptable to the owner, the owner may appeal the determination;
2. **Property Tax Assessment Appeals Board (PTAAB)** - The second phase of appeals are brought to an independent unit of government responsible solely for reviewing the Department's findings. PTAAB may or may not accept the Supervisor's decision. Depending on PTAAB's determination, either the property owner or the Department will raise the appeal to the third and final phase;
3. **Tax Court** - The third and final phase of appeal. The Department and the property owner both present their case for whether PTAAB's decision should be upheld or overturned. A judge will render a decision based on the facts.

Should a taxpayer refuse to pay their property tax to their local government, their account would first be marked as delinquent. Within one year of failure to pay property taxes, the county may enter the property into tax sale, at which point a third party would be able to purchase a lien on the home. If the property owner fails to redeem their property from tax sale, that property may enter tax sale foreclosure within one year of entering tax sale. Any further legal challenges to the State or its policies would be answered by the Maryland Attorney General.

## **Contribution of Staffing Shortages in the Real Property Division**

The Department acknowledges that a lack of oversight contributed to the error, however, it does not believe that staffing shortages in the real property division had any impact - directly or indirectly - on this particular issue. The real property division is primarily responsible for assessing the value of all properties that reside in the State of Maryland. It is responsible for assessing, logging, and disseminating information based on its assessments. The division also responds to assessment appeals, and notifies local governments of its assessable base for the purposes of taxation.

In this particular matter, the real property division had all information at its disposal and provided that information in a timely manner. No information provided by the division was missing or incorrect. It was in fact the real property division that discovered there was an issue with the notices in the first place. The missing notices of assessment were the result of an IT error spurred by a hastened process for a new notice design. There was no anticipated change to the data from the division that was required by the League, nor is there any indication that that data contributed to the error.

Where the Department has identified staffing shortages would be in its IT environment. DoIT's current project management structure does not provide project management staffing. SDAT has multiple major technology modernization projects in progress, working to transition off legacy mainframe systems and specialized platforms and onto modern, flexible, and scalable solutions. All SDAT IT staff (including all management positions) are performing multiple roles simultaneously and cannot take on additional project management responsibilities without offloading some of their technical duties. SDAT has one Project Management contractor; however, she can only cover one-third of the ongoing projects.

**LARRY HOGAN**  
Governor

**BOYD K. RUTHERFORD**  
Lt. Governor

**MICHAEL HIGGS**  
Director

**MARCUS ALZONA**  
Deputy Director



Dear Property Owner:

The enclosed notice informs you that the Maryland Department of Assessments and Taxation has determined a new estimated market value of your property after the latest reassessment. This value was developed using recent market information from your area and has been applied uniformly to all comparable properties. The estimated market value of both the land and buildings on your property can be found on page 3 of the notice.

Property assessment values are certified by the Department of Assessments and Taxation and are then converted into property tax bills by local governments. To compute your tax bill, local governments multiply the jurisdiction's property tax rate by the property's total assessed value. County and municipal governments set their tax rates at public hearings each spring and have the sole discretion to set tax rates. Property tax bills are issued in July/August of each year by local tax billing and collection offices.

Property values may rise or fall in the changing real estate markets. State law requires all property to be revalued every three years to ensure that all property owners pay only their fair share of local taxes. Since property taxes are primarily a local government revenue, our state assessors are able to provide an impartial, unbiased opinion.

The Department also administers two tax credits that may be available if you are a homeowner living in your primary residence. They are the Homeowners' and Homestead Tax Credits. Additional information about these credits can be found on page 2 of the notice.

The Department of Assessments and Taxation is committed to providing the best possible customer service to Maryland's property owners. You may quickly and easily obtain public data containing sales and assessment information for any property in Maryland by conducting a search on our Real Property Database. To visit the Real Property Database and to learn more about the assessment process, please visit our website at [www.dat.maryland.gov](http://www.dat.maryland.gov).

Please feel free to contact your local assessment office for further information about your property's new estimated market value.

Sincerely,

Michael Higgs  
Director

## **What is the Homestead Tax Credit?**

To help reduce the impact of assessment increases for homeowners, state law has established the Homestead Property Tax Credit, which limits or caps the increase in taxable assessments each year to a fixed percentage. Every county and municipality in Maryland is required to set a homestead cap that limits taxable assessment increases to 10% or less each year. The Homestead Tax Credit *applies only to the principal residence* of the property owner and is based on the total market value for the dwelling and associated land.

The Homestead Tax Credit does not limit the market value of the property as determined by the Department of Assessments and Taxation. Instead, it is a credit calculated on any assessment increase exceeding 10% (or the lower local cap enacted by the local governments) from one year to the next. Your taxable assessments, after subtracting the Homestead Tax Credit, are shown on page 3 of this notice, provided that local governments do not revise their homestead credit percentages by the March 2023 deadline.

## **Homestead Tax Credit Application Process**

If the property is used as your principal residence, you are strongly encouraged to complete a one-time application for the Homestead Tax Credit because it can have a significant impact on your real estate taxes regardless of your property's value or your income level. To verify if you have already completed an application and been approved for this credit, please refer to the Homestead Application Status field located in the box on the upper right corner of page 3.

Homestead Tax Credit Applications must be filed by May 1 preceding the first tax year for which the credit is to be applied. We encourage you to file online; for more information or to file for the Homestead Tax Credit, please visit [dat.maryland.gov/homestead](http://dat.maryland.gov/homestead) or email [sdat.homestead@maryland.gov](mailto:sdat.homestead@maryland.gov). You may also file for the Homestead Tax Credit at your county's assessment office or at the Department of Assessments and Taxation's headquarters in Baltimore City.

## **What is the Homeowners' Tax Credit?**

The Department of Assessments and Taxation also administers the Homeowners' Property Tax Credit, which allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In other words, it sets a limit on the amount of property taxes any homeowner must pay based upon his or her income. Before your eligibility according to income can be considered, you must meet these four basic requirements:

- You must own or have a legal interest in the property;
- The dwelling on which you are seeking the tax credit must be your principal residence where you live at least six months of the year, including July 1, unless you are a recent home purchaser or unless you are unable to do so because of your health or need of special care;
- Your net worth, not including the value of the property on which you are seeking the credit or any qualified retirement savings or Individual Retirement Accounts, must be less than \$200,000; and
- Your combined gross household income cannot exceed \$60,000.

## **Homeowners' Tax Credit Application Process (Applications not available until February 15, 2023)**

If you meet the four requirements mentioned previously, you are strongly encouraged to complete an annual application for the Homeowners' Tax Credit because it can have a significant impact on your real estate taxes based on your income. Homeowners who file and qualify by April 15 will receive the credit directly on their tax bill. Persons who file later have until the October 1 deadline and will receive any credit due in the form of a revised tax bill. Applicants filing after April 15 are advised not to delay payment of the property tax bill until receipt of the credit if they wish to receive the discount for early payment offered in some jurisdictions. A refund check will be issued by the local government if the tax bill was paid before the tax credit was granted.

Applications can be submitted online at [taxcredits.sdat.maryland.gov](http://taxcredits.sdat.maryland.gov), and for more information about the Homeowners' Tax Credit you can visit [dat.maryland.gov/homeowners](http://dat.maryland.gov/homeowners) or email [sdat.homeowners@maryland.gov](mailto:sdat.homeowners@maryland.gov). You may also file for the Homeowners' Tax Credit at your county's assessment office or at the Department's headquarters in Baltimore City.

## **Verifying the Status of Your Homestead or Homeowners' Tax Credit**

After you have submitted your tax credit application to the Department of Assessments and Taxation, you can determine the status of your eligibility for free by searching for your property's profile in the Real Property Database located at [sdat.dat.maryland.gov/realproperty](http://sdat.dat.maryland.gov/realproperty). Your property's application status will be displayed as approved, application received, denied, no application, or withdrawn at the bottom of the search results.

## **Searching for Comparable Sales**

Homeowners may search for comparable sales by visiting [sdat.dat.maryland.gov/realproperty](http://sdat.dat.maryland.gov/realproperty). On this webpage, select the desired county and the property sales search method. Once those fields are completed, click the "Continue" button located on the right portion of the screen. Additional fields will appear that need to be completed to run your search. Once those fields are completed, click the "Next" button located on the right portion of the screen. Your results will be displayed on the screen.

State of Maryland  
Department of Assessments and Taxation

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ACCT#22 26 028086 /01334  
48 2225 235591 R H  
STEWARD ROBERT L  
GREG STEWARD  
11231 GRANT SHOOK RD  
GREENCASTLE PA 17225-9401

Assessment Notice  
(This Is Not a Tax Bill)

|                     |             |                    |     |                       |      |                |      |
|---------------------|-------------|--------------------|-----|-----------------------|------|----------------|------|
| NOTICE #            | NOTICE DATE | TAX YEAR BEGINNING |     |                       |      |                |      |
| 235591              | 12/29/2022  | 07/01/2023         |     |                       |      |                |      |
| DIST                | MAP         | PARCEL             | SEC | BLOCK                 | LOT  | USE            | SUBD |
| 26                  | 48          | 276                |     |                       |      | R              |      |
| PROPERTY LOCATION   |             |                    |     | PRINCIPAL RESIDENCE   |      |                |      |
| 17321 CLOVERLEAF RD |             |                    |     | YES                   |      |                |      |
|                     |             |                    |     | HOMESTEAD APPLICATION |      |                |      |
|                     |             |                    |     | CONTROL #:            | 6150 | APPROVAL - YES |      |



BOX 1 REFLECTS THE 5% ASSESSMENT CAP  
ESTABLISHED BY WASHINGTON CO.

If this property is your principal residence and the Homestead Application Status is NOT shown as Approved or Pending in the box above, you are encouraged to email [sdat.homestead@maryland.gov](mailto:sdat.homestead@maryland.gov) to apply.

The following taxable assessments will be applied to produce your actual July 1, 2023 tax bill *provided your Homestead Credit status does not change or local governments do not revise their Homestead Credit percentages by the March 2023 deadline.*

**Taxable  
Assessments  
for July 1, 2023**

|  |               |                                 |
|--|---------------|---------------------------------|
| 1. \$ 180,810                              | 2. \$ 189,420 | 3. \$ NOT APPLICABLE            |
| County or Balt. City<br>Taxable Assessment |               | Municipal<br>Taxable Assessment |

State law requires that all real property be revalued at least every three years. The property described above has been reviewed to determine the new market value effective January 1, 2023. The new market value is based upon market data available prior to this date. The old total market value of your property was:

4. \$ 172,200

This property has been reappraised as of Jan. 1, 2023. This is the current value of your property; it is not a projection of future value.

**New Market Value  
as of Jan 1, 2023**

|              |               |               |
|--------------|---------------|---------------|
| 5. \$ 55,600 | 6. \$ 177,400 | 7. \$ 233,000 |
| Land         |               | TOTAL         |

State law provides that any increase in the new market value be phased in over the next three tax years in equal amounts. If the value decreased, this reduced assessment will be in effect for the next three years as shown in the boxes below (before applicable credits and exemptions).

|               |               |                |
|---------------|---------------|----------------|
| 8. \$ 192,467 | 9. \$ 212,733 | 10. \$ 233,000 |
| 2023          |               | 2025           |

If you feel that your property's Total New Market Value of \$ 233,000 is incorrect, you may file an appeal. An explanation of the appeal process and instructions on how to file your appeal are located on page 4.

**An appeal must be filed or postmarked by 02/13/2023**

ATTENTION: If the mailing address at right is incorrect, please print the correct address below and return to the Assessment Office.

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## APPEAL PROCEDURE

You have the right to appeal this notice of assessment. A three-step appeal process is available to protect the property owner from an incorrect assessment. The first level appeal is with the local assessment office. The second and third level appeals are with the Property Tax Assessment Appeal Boards and the Maryland Tax Court respectively. These are independent agencies that are completely separate from the Department of Assessments and Taxation. At each level in the appeal process you have the opportunity to present evidence showing why the Total New Market Value (page 3, box 7) is incorrect.

To appeal your notice of assessment, you can appeal online at [assessmentappeals.dat.maryland.gov](http://assessmentappeals.dat.maryland.gov) or complete and sign this appeal form and **return it to the local assessment office shown on page 3** of this notice. An appeal must be filed within 45 days from the date of this notice. When filing an appeal, you have three options: (1) submit an appeal in writing; (2) have a telephone hearing; or (3) have a video hearing with an assessor. Please indicate with a check mark the one option you have selected. Expedited service will be given to written appeals (Option #1). With Options 2 and 3 you have the right to postpone your hearing one time.

|               |                     |
|---------------|---------------------|
| SIGNATURE     | DATE                |
| PRINT NAME    | DAYTIME TELEPHONE # |
| EMAIL ADDRESS |                     |

**Option #1 Written Appeal** : If additional space is needed, attach paperwork to the appeal form. I am appealing the TOTAL NEW MARKET VALUE because:

NOTE: Written appeals are reviewed based on all available information and a final notice is sent.

**Option #2 Telephone Hearing:** You will be notified of a date and time to call the assessment office.

**Option #3 Video Hearing:** You will be notified of a date and time to contact the assessment office. Google Meet is the only web conferencing service supported on our network. **An email address must be provided above.**

If you are filing an appeal, a copy of your worksheet and a sales listing will be sent to you. You may also obtain copies of the worksheets for other comparable properties. A fee of \$1.00 for each comparable worksheet must be included with your request, with the check made payable to the State Department of Assessments and Taxation. Please use the space provided below to identify the comparable properties. Attach an additional sheet of paper if more space is needed.

| Street Address of Comparable Property or Lot, Block and Parcel Number | Owner of Comparable (If known) |
|---|--------------------------------|
|   |                                |
|   |                                |
|   |                                |

If you are not filing an appeal, you may still obtain a copy of your worksheet and sales listing. Please check the appropriate box or boxes below and return this form to your local assessment office at the address shown on page 3.

Sales Listing

Property Worksheet

If you wish to receive your worksheets, sales listing, and comparable worksheets by email, please provide an email address above.

Please make a copy of the front and back of this notice and retain for your records. Additional information about assessments, including the Property Owner's Bill of Rights, can be found on our website at [www.dat.maryland.gov](http://www.dat.maryland.gov).



**Wes Moore** | Governor  
**Aruna Miller** | Lt. Governor  
**Michael Higgs** | Director  
**Marcus Alzona** | Deputy Director

## NOTICE OF ASSESSMENT

THIS IS NOT A TAX BILL.  
No payment due at this time.

ANNE ARUNDEL COUNTY ASSESSMENT OFFICE  
45 CALVERT ST, 3RD FLOOR  
ANNAPOLIS, MD 21401-1952



|  |                               |
|--|-------------------------------|
| Owner occupied and the principal residence of the owner:                                 | YES                           |
| Your state property tax credit or exemption status for this property:                    | HOMESTEAD APPROVED AS OF 2023 |
| Your prior year, income-based annual state property tax credit status for this property: | N/A                           |

## NOTICE OF ASSESSMENT

| Assessment Date            | 1/1/2021         | 1/1/2024         | Change            |
|----------------------------|------------------|------------------|-------------------|
| Land Market Value          | \$201,700        | \$260,500        | +\$58,800         |
| Buildings Value            | \$117,000        | \$197,700        | +\$80,700         |
| Accessory Structures Value | \$0              | \$0              | \$0               |
| <b>Total Market Value</b>  | <b>\$318,700</b> | <b>\$458,200</b> | <b>+\$139,500</b> |

## ASSESSMENT PHASE-IN

Any increase in the new market value will be phased in over the next three years.

|           |           |           |
|-----------|-----------|-----------|
| \$365,200 | \$411,700 | \$458,200 |
| 2024      | 2025      | 2026      |

## TAXABLE PORTION OF YOUR ASSESSMENT

|                          |  |                              |
|--------------------------|--|------------------------------|
| \$350,570                | \$325,074                              | \$0                          |
| State Taxable Assessment | County / Balt. City Taxable Assessment | Municipal Taxable Assessment |

If your homestead status is approved or pending, the taxable assessment shown above reflects any applicable homestead assessment cap established by the taxing jurisdiction. These amounts will be applied to your actual July 1, 2024 tax bill unless your local government revises its Homestead Credit percentages by March 1, 2024 or your Homestead Credit status changes.

Your tax bill is made up of the State Tax Rate and County/City Tax Rate. For properties that are in a municipality, an additional tax rate may apply. These amounts reflect only a portion of your taxable assessments that will impact your bill.

## HOW IS MY PROPERTY VALUE CALCULATED?

|   |           |
|---|-----------|
| The <u>LAND VALUE</u> of your property:   | \$260,500 |
| The location of the land is a major factor in determining its value. For example, land located near the water is generally more valuable than land located inland. Likewise, land located near an urban center is usually more valuable than land located miles away. |           |
| Included in the above land value is the Preferential Land Assessment Value of \$0   |           |
| The value of main <b>BUILDING</b> structures on your property:  | \$197,700 |
| These include dwellings or commercial buildings that add value to the property.   |           |
| The value of any <b>ACCESSORY</b> structures on your property:  | \$0       |
| These include structures such as detached garages, barns, pools, and sheds that add value to the property.  |           |
| The total of the items above determines the <b>NEW MARKET VALUE</b> :   | \$458,200 |
| This is the value that the Department thinks your property would sell for in an open market.  |           |

### IF YOU DISAGREE WITH THE PROPOSED PROPERTY VALUES:

**You have the right to appeal this notice of assessment.**

File your appeal at [assessmentappeals.dat.maryland.gov](http://assessmentappeals.dat.maryland.gov) by 2/12/2024.

Notice Number: 923772 Control Number 1270

Do you want to file a paper appeal?

Print one from the above URL or contact your local office to request a form.

Your appeal must be filed or postmarked by 2/12/2024.

When you file your appeal, you will be prompted to indicate how you want to proceed with your assessment hearing.

Your hearing options:  
Written, Telephone, Virtual Meeting, or In-Person Meeting

### YOUR LOCAL SDAT OFFICE

ANNE ARUNDEL COUNTY  
45 CALVERT ST, 3RD FLOOR  
ANNAPOLIS, MD 21401-1952  
(410)974-5709  
SDAT.AA@MARYLAND.GOV

### YOUR COUNTY FINANCE OFFICE

ANNE ARUNDEL COUNTY OFFICE OF FINANCE  
44 CALVERT STREET, ROOM 110  
P.O. BOX 2700  
ANNAPOLIS, MD 21404  
(410)222-1736  
REALPROPERTY@AACOUNTY.ORG

- Determines the value of your property
- Calculates Statewide Property Tax Credits
- Does not collect any money
- Administers initial appeal of a property's assessed value

- Determines the amount of taxes you owe based on value
- Calculates Local Property Tax Credits
- Sends out your tax bill
- Collects tax payments

### KEY DATES:

**February 12, 2024:** Last day to appeal the market value of your property. Your appeal must be filed online or postmarked by this date.

**April 15, 2024:** Last day to apply for the income-based Homeowners' tax credit so that the credit will appear on your tax bill. If you do not apply by this date, you must pay your full bill and get a refund if you are approved. To apply:  
[taxcredits.sdat.maryland.gov](http://taxcredits.sdat.maryland.gov)

**July 1, 2024:** The tax year begins and bills are sent out after this date by your county finance office or Baltimore City.

## OFFICE OF THE TAX SALE OMBUDSMAN

Need help with your delinquent property taxes?

(410) 767-4994

(833) 732-8411 (Toll-free)

Email: [sdat.taxesale@maryland.gov](mailto:sdat.taxesale@maryland.gov)

### YOUR BILL:

**SDAT does not issue property tax bills nor collect tax payments.**

**You will get a property tax bill from your County's finance office or Baltimore City.**

Principal residence properties will receive two tax bills annually.

Non-principal residence properties will receive one tax bill annually.

To update your: **mailing address, change your principal residence determination, or request a worksheet about your property**, you must send a written request to your local SDAT office.

Your valuation records are available as provided by § 14-201 of the Tax-Property Article.

The Property Owner's Bill of Rights can be found at [dat.maryland.gov/realproperty/Pages/Bill-of-Rights.aspx](http://dat.maryland.gov/realproperty/Pages/Bill-of-Rights.aspx)

If an assessment has increased, the total amount of property tax owed by the property owner may also increase even if the property tax rate has not increased.

An improvement to a building required for the health or medical condition of the resident of the building may not be assessed for tax purposes. The exemption under this section may not exceed 10% of the total assessment of the real property on which the building is located.

Contact your local SDAT office for more information.

### PROPERTY TAX CREDITS:

#### Local Tax Credits:

The majority of property tax credits are issued by your county government or Baltimore City. Credits may include Senior Tax Credits. Please reach out to your county government or Baltimore City for additional details.

#### Homeowners Tax Credit:

If your gross household income is \$60,000 or less, apply at [taxcredits.sdat.maryland.gov](http://taxcredits.sdat.maryland.gov)

#### Homestead Tax Credit:

You are eligible at your principal residence. Apply at [taxcredits.sdat.maryland.gov](http://taxcredits.sdat.maryland.gov)

#### 100% Disabled Veteran OR Surviving Spouse of a 100% Disabled Veteran:

You are exempt from all property taxes. This does not include county fees as determined by your county finance office. Apply via your local SDAT office.

#### Disabled Veteran currently on Active Duty:

You are exempt from all property taxes. This does not include county fees as determined by your county finance office. Apply via your local SDAT office.

#### Surviving Spouse of Active Duty Military Personnel who died in the line of duty:

You are exempt from all property taxes. This does not include county fees as determined by your county finance office. Apply via your local SDAT office.

#### Blind Person OR Surviving Spouse of a Blind Person:

You are exempt from \$15,000 of the property's assessed value. Apply via your local SDAT office.