

2014 TAX SALE INFORMATION AND PROCEDURES

This document was prepared to provide relevant information regarding the annual Frederick County Tax Sale and the legal requirements of the County as well as the purchaser of a tax sale certificate. Legal references herein refer to the Tax Property Article of the Annotated Code of Maryland.

Liens on properties offered at the 2014 Frederick County Tax Sale are subject to the following procedures. The County shall offer lien certificates on individual properties via a **sealed bid auction using the high bid premium method** as provided for in the Annotated Code of Maryland, Tax Property Article §14-817(b)(2) et. seq.

TAX INFORMATION

Ordinary taxes, which include taxes and other fees and charges on real property, are due and payable without interest as of the first day of July in each taxable year. Under the annual payment schedule, the taxes are overdue and in arrears on the first day of the succeeding October. Under the semiannual payment schedule, the first installment is in arrears as of October 1st and the second installment is in arrears as of January 1st. Interest accrues at the rate of one percent (1%) per month or any fraction of a month until paid (Section 14-603 and Section 14-703). Interest charges are posted on the first day of each month beginning October 1st until paid.

Any unpaid, State, County, and city taxes and other fees and charges on real property constitute a lien on the real property from the date they become due until paid (Section 14-804).

It is mandatory that the Collector of Taxes sell, at the time prescribed by local law, any property on which taxes are in arrears (Section 14-808).

Thirty days or more prior to the date property is first advertised for tax sale in a newspaper, the Collector is required to mail a statement to the person who last appears as owner on the Collector's tax rolls. The statement contains the owner's name, the amount of taxes due and a notice that if the taxes are not paid, the property must be sold. For this purpose, Frederick County prepares delinquent tax bills in which the required notice is contained. (Section 14-812).

The Collector will publish, once a week for three successive weeks, a listing of the delinquent properties in one or more newspapers. This advertisement serves as notice to

the property owners, and any lien holders, that the property is to be sold. The advertisement will contain the date, time and place of the sale, as well as a description of the property, name of person who last appears on the Collector's tax roll as the owner, the assessed value of the property as determined by the last assessment and the tax sale amount. The tax sale amount advertised includes, or may include, the delinquent taxes (State, County and Municipal, where applicable), interest from October of the levy year through the month of sale, trash & garbage charges, special improvement assessments (total unpaid), front foot benefit charges, tax liens, etc. Advertising and legal fees of \$60.00 are also included in the total. The list of delinquent properties may also be found on the tax sale website: www.frederickcountymd.gov/treasury .

During the newspaper advertising period, April 20 through May 9, properties will be removed from the list as payments are received from taxpayers. Therefore, the final newspaper advertisement on May 4 will list fewer properties than were originally advertised. The website will also be updated weekly. The final update on the website will occur after 4:00 p.m. on Friday, May 9. There will be a notation on the website indicating the final update has been completed.

THE TAX SALE

Each parcel of property offered at tax sale will be sold as an entirety (Section 14-814). No property will be sold for a sum less than the advertised price. When sold, the County's lien on the property passes to the bidder/purchaser (Section 14-817). All bidders/purchasers must pay for their properties, including the high-bid premium, by ACH not later than 4:00 p.m. the day following the auction. **Purchasers must ensure the funds are remitted to the County by 4:00 p.m.**

The terms of the sale are as follows; the purchaser shall complete the following steps prior to being permitted to bid in the auction:

1. Register on www.frederickcountymd.gov/treasury . Registration will begin on April 1, 2014 and will end April 30, 2014. Registration documents are available at www.frederickcountymd.gov/treasury . All steps in the bidder registration process, including the payment of the \$100 registration fee, must be completed by 4:00 p.m. Local Time on April 30.
2. Pay \$100.00 registration fee via ACH. The registration fee is nonrefundable. Payment in USD (United States Dollars) is required.
3. Accept all terms in the "Tax Sale Notice" and the "Information and Procedures".

All communication and all activities associated with the sale must be conducted through the email address taxsale@frederickcountymd.gov.

The County will have two spreadsheets of properties. The property data will be the same on each spreadsheet. One spreadsheet will require the bidder to submit bids by entering a separate bid amount for each parcel. The other spreadsheet allows the bid to be in the form of a bid factor (a percentage of the assessed value). For example, a multiple bid factor of .46 would indicate that the bidder is bidding .46 times the assessed value of the property. At registration, bidders must indicate which type of bidding they will use so the applicable spreadsheet is issued to them.

Bidders are to use only the County issued spreadsheets for their bids. Any non-County spreadsheet or any County spreadsheet that has been altered will be rejected by the County and the bids considered non-compliant. Bid spreadsheets will be emailed to all registered bidders after 4 p.m. on Friday, May 9. All bids **must** be submitted to the taxsale@frederickcountymd.gov email address. Bids will be accepted beginning at 10 a.m. on Monday, May 12. All bids must be received by the County by 1 p.m. Local Time on May 12. Bids will be awarded to the highest bidder.

All bids must be made in good faith. Should a successful bidder not make full payment for any or all of the certificates that are awarded in the tax sale, including any associated High Bid Premiums, they will **not be awarded any certificates** and they may be prohibited from participating in future tax sales. The certificates will be awarded to the next highest bidder. All successful bidders/purchasers must pay for their properties, including the high-bid premium, by 4:00 p.m. the day following the tax sale.

In the case where the bids are identical for the same property or properties, the winning bid will be awarded to the bidder with the first submission of the identical bid.

Pursuant to Tax Property Article 14-817(b), the County has established a high bid premium for all certificates sold by a sealed bid process. This high bid premium is 20% of the amount by which the bid exceeds 40% of the property's assessed value. An example is below:

If the full cash value is \$100,000, the outstanding taxes due are \$1,000 and the successful bid is \$50,000, the bidder should expect to pay:

Taxes	\$1,000
High-Bid Premium	

Cash Value	\$100,000	
40% Cash Value (\$100,000 x .40)	\$40,000	
Bid	\$50,000	
Less 40% Cash Value	<u>\$40,000</u>	
Total	\$10,000	
20% Premium (\$10,000 x .20)	<u>\$2,000</u>	<u>\$2,000</u>
Total Payment Due		\$3,000

A total of \$3,000 is due to the County by the close of business the day after the tax sale auction. That is, \$1,000 for the outstanding taxes, interest and costs, plus 20% of the \$10,000, the amount that exceeds forty percent of the full cash value or \$2,000.

The high bid premium is payable at the same time the successful bidder pays the tax sale amount.

The County will refund the high bid premium, without interest, to the holder of the tax sale certificate upon redemption of the property or to the plaintiff in an action to foreclose the right of redemption upon delivery of a tax sale deed for the property for which the high bid premium was paid. The high bid premium is not refundable after the time required (under Section 14-833 of the Tax-Property Article) for the filing of action to foreclose the right of redemption, if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time. In addition the high bid premium will not be refunded in the event a tax sale foreclosure suit is dismissed and there has been no redemption.

Bidders/purchasers must pay for all certificates awarded, including the high-bid premium, by ACH not later than 4:00 p.m. the day following the auction. Purchasers must ensure the funds are sent to the County by 4:00 p.m. the day following the tax sale.

The County will confirm with its bank the receipt of the payment.

THE CERTIFICATE OF TAX SALE

After six months from the date of sale, the Collector will deliver to the purchaser a certificate of sale. The certificate sets forth the fact that the property described therein was sold by the Collector to the purchaser, the date of sale, the amount bid, the advertised amount and the rate of redemption. The certificate is null and void if an action to foreclose

the right of redemption is not instituted by the holder within two (2) years from the date of sale. If a certificate is void, then the interest of the holder of the certificate of sale ceases (Section 14-833).

Any certificate of sale, properly executed, is assignable upon notification to the Treasury Department and the assignment vests in the assignee, all the right, title and interest of the original purchaser (Section 14-821).

The certificate of sale is presumptive evidence in all courts, in all proceedings by and against the purchaser, of the truth of the statement therein, and of the title of the purchaser to the property (Section 14-823).

The certificate of sale may be recorded among the land records of the County. However, failure to record does not in any manner affect the right to institute foreclosure proceedings within the time limits prescribed (Section 14-822).

REDEMPTION – PRIOR TO COMPLAINT

The owner or other person having an estate or legal interest in the property sold has the right to redeem the property at any time until the right of redemption is finally foreclosed by an order of the Circuit Court (Section 14-827).

To redeem a property, taxes must be paid **ONLY TO THE TAX COLLECTOR:**

1. the total tax sale price of the property and
2. any taxes, interest and penalties accruing after the date of the tax sale

Payment must be made by certified check, cashier's check, money order or cash.

The rate of interest is set under Section 14-820 and is computed from the date of the tax sale to the date of the redemption payment (Section 14-828). The interest rate, as stated on the certificate of sale, is eight percent (8%) per annum.

During the first four months after the date of the tax sale, auctioned properties may be redeemed without payment of legal fees. After the expiration of the four-month period, if the holder of the certificate, or his/her representative, has notified the Treasury Department (in writing) that legal fees have been incurred, a release is required, in addition to the redemption amount. Legal fees are specifically provided in Section 14-843 of the Tax Property Article.

REDEMPTION – AFTER COMPLAINT

On redemption, the plaintiff or the holder of the certificate of sale may be reimbursed for attorney's fees and expenses incurred in any action or in preparation for any action to foreclose the right of redemption as specifically provided in Section 14-843 of the Tax Property Article.

Upon receipt of the redemption amount and attorney's release/dismissal (if required), the Collector will reimburse the holder of the certificate (Section 14-828).

If an action by the purchaser to foreclose the right of redemption has been filed and there is a dispute regarding redemption, an order of the Court is required (Section 14-829).

ACTIONS TO FORECLOSE

The holder of a certificate of sale may at any time after the expiration of six months from the date of sale, file a complaint in the Circuit Court to foreclose all rights of redemption of the property to which such certificate relates. If such action is not taken within a two-year period subsequent to sale, the certificate is null and void (Section 14-833). The plaintiff must forward a copy of the complaint to the Treasury Department.

The certificate of sale must be attached and made a part of the complaint (Section 14-835).

The plaintiff in any action to foreclose the right of redemption must be the holder of the certificate of sale.

The defendants in the proceedings must be (a) record owner(s) of the property, (b) owner of ground rents, if applicable, (c) mortgage holders and trustees under any deed of trust, (d) the State of Maryland, if appropriate, and (e) the County (Section 14-836).

If the court enters a final judgment for the plaintiff, the judgment must vest in the plaintiff an absolute and indefeasible title in fee simple. If the property sold was subject to ground rent, the judgment must vest a leasehold interest in the plaintiff (Section 14-844).

The final judgment of the Court will direct the Collector to execute a deed upon payment to the Collector of the balance of the purchase price, together with all taxes, interest, penalty and charges accruing subsequent to the sale. The deed is to be prepared by the holder of the certificate of sale or an attorney. The Collector is not obligated to execute the deed until the clerk of the court has furnished the Collector with a certified copy of the judgment.

The Collector will not execute any deed until at least 30 days has passed since the court order is entered. If the holder of the certificate does not comply with the terms of the final judgment within 90 days, the judgment may be stricken by the Court upon the motion of an interested party (Section 14-847).

Once a judgment is granted, the plaintiff becomes liable for taxes due after the judgment and for any surplus bid (Section 14-844).

Any person who acquired a deed to property under this subtitle is entitled to issuance of a writ for possession of the property under the Maryland Rules as if the person had obtained a judgment awarding possession of the property (Section 14-850).

These rules and proceedings are accepted and agreed upon by the bidder upon registration.

Questions regarding the tax sale policies may be directed to the Frederick County Treasury Department at 301-600-1111 or emailed to taxsale@frederickcountymd.gov.

By signing this agreement, the undersigned acknowledges that the above TERMS OF THE 2014 TAX SALE and the 2014 TAX SALE NOTICE have been read, understood and accepted.

Acknowledged and agreed:

Bidder Number

Bidder's Printed Name

Agent's Printed Name if different from Bidders

Printed Name

Bidder's mailing address:

Street Address

City State Zip Code

Phone Number Fax Number

E-mail Address

Date

Bidder's/Authorized Agent's Signature

Please be sure to make the following choice to ensure that you will receive the correct bid spreadsheet: Bidder would like to bid using a dollar amount bid or bid factor.

Purchaser hereby elects to have the Collector mail the tax sale certificates directly to the Purchaser upon issuance of the certificate pursuant to the terms of section IV.B.2 of this agreement.

COMPLETED W-9 MUST BE ATTACHED

2014 Tax Sale Notice

NOTICE OF PUBLIC TAX SALE OF REAL ESTATE IN FREDERICK COUNTY, MARYLAND

SEALED BID TAX SALE
MONDAY, MAY 12, 2014

A Tax Sale does not automatically convey title to a purchaser; there are legal procedures that must be satisfied before becoming the owner of an auctioned property. The current owner may redeem by paying the taxes owed. Until the time a deed is issued to the Tax Sale purchaser, the current owner maintains ownership of the property.

* * * * *

Notice is hereby given that the following is a list of amounts due and in arrears to Frederick County, municipal corporations in Frederick County, and to the State of Maryland. The list of real estate upon which amounts are due and in arrears is arranged in election district order. The property owners listed are those that appear on the County tax rolls at the time of publication.

Notice is hereby given that, if these amounts and interest thereon are not paid in the form of CASH, CASHIER'S CHECK, CERTIFIED CHECK OR MONEY ORDER not later than 4:00 p.m., Friday, May 9, 2014, by the current property owners, the undersigned will accept sealed bids via a sealed bid auction for the properties listed below. Bids will be received in accordance with the instructions listed below.

The list of amounts due and in arrears, and this notice of sale, is published in accordance with the provisions of the State of Maryland and the laws of Frederick County, Maryland. The Director of Treasury publishes the notice of tax sale to inform the property owners that the listed properties are to be sold in order to collect unpaid taxes. Owners can prevent the sale by paying the amounts due at the Treasury Department at 30 North Market Street, Frederick, MD 21701, not later than 4:00 p.m., Friday, May 9, 2014. After this date, additional charges must be paid to redeem the property.

During the advertising period, April 20 through May 9, properties will be removed from the list as payments are received from taxpayers. Therefore, the final property list will contain fewer properties than were originally advertised. The website will also be updated weekly. The final update on the website will occur after 4:00 p.m. on Friday, May 9. There will be a

notation on the website indicating the final update has been completed.

The tax sale is open to the public. PROSPECTIVE BIDDERS SHOULD INVESTIGATE THE PROPERTIES. There is no warranty, expressed or implied, that a property has a marketable title, that it contains the area of land described therein, that the property does not contain faults that would be fatal to tax sale foreclosure, or that the true market value of the property bears any relationship to the assessment stated therein. The purchaser agrees to assume all risks in regard to these and all other matters pertaining to the property, it's condition, title, location, or marketability and each and every property at the tax sale is sold "AS IS". Purchasers will be entitled to a certificate of sale as required by law.

In the event a tax sale of a particular property is subsequently invalidated by the Collector, the tax sale purchaser will receive a refund of the amount paid at tax sale, but will receive NO redemption interest, or reimbursement of attorney fees, title search or other costs.

Frederick County has adopted new procedures for selling properties at tax sale. If you are planning to participate in the sale, please read the procedures as they have changed significantly from prior years.

The County shall offer tax lien certificates on individual properties via a sealed bid auction using the high bid premium method as provided for in the Annotated Code of Maryland, Tax Property Article, Section 14-817. No property will be sold for less than the advertised price (taxes). No later than 4:00 p.m. of the day following the tax sale, the bidder/purchaser is required to pay the full amount advertised (taxes) plus any high bid premium.

The terms of the sale are as follows---the purchaser shall complete the following steps prior to being permitted to bid in the auction:

1. Register on www.frederickcountymd.gov/treasury. Registration will begin on April 1, 2014 and will end April 30, 2014. Registration documents are available at www.frederickcountymd.gov/treasury. All steps in the bidder registration process, including the payment of the \$100 registration fee, must be completed by 4:00 p.m. Local Time on April 30.
2. Pay \$100.00 registration fee via ACH. The registration fee is nonrefundable. Payment in USD (United States Dollars) is required.
3. Accept all terms in the "Tax Sale Notice" and the "Information and Procedures".

All communication and all activities associated with the sale must be conducted through the email address taxsale@frederickcountymd.gov.

The County will have two spreadsheets of properties. The property data will be the same on each spreadsheet. One spreadsheet will require the bidder to submit by entering a separate bid amount for each parcel. The other spreadsheet allows the bid to be in the form of a bid factor (a percentage of the assessed value). For example, a multiple bid factor of .46 would indicate that the bidder is bidding .46 times the assessed value of the property. At registration, bidders must indicate which type of bidding they will use so the applicable spreadsheet is issued to them.

Bidders are to use only the County issued spreadsheets for their bids. Any non-County spreadsheet or any County spreadsheet that has been altered will be rejected by the County and the bids considered non-compliant. Bid spreadsheets will be emailed to all registered bidders after 4 p.m. on Friday, May 9. All bids must be submitted to the taxsale@frederickcountymd.gov email address. Bids will be accepted beginning at 10 a.m. on Monday, May 12. All bids must be received by the County by 1 p.m. Local Time on May 12. Bids will be awarded to the highest bidder.

All bids must be made in good faith. Should a successful bidder not make full payment for any or all of the certificates that are awarded in the tax sale, including any associated High Bid Premiums, they will not be awarded any certificates and they may be prohibited from participating in future tax sales. The certificates will be awarded to the next highest bidder. All successful bidders/purchasers must pay for their properties, including the high bid premium, by 4:00 p.m. the day following the tax sale.

In the case where the bids are identical for the same property or properties, the winning bid will be awarded to the bidder with the first submission of the identical bid.

Pursuant to Tax Property Article, section 14-817(b), the County has established a high bid premium for all certificates sold by a sealed bid process. This high bid premium is 20% of the amount by which the bid exceeds 40% of the property's assessed value. For an example, go to www.frederickcountymd.gov/treasury. The high bid premium is payable at the same time the successful bidder pays the tax sale amount.

The County will refund the high bid premium, without interest, to the holder of the tax sale certificate upon redemption of the property or to the plaintiff in an action to foreclose the right of redemption upon delivery of a tax sale deed for the property for which the high bid premium was paid. The high bid premium is not refundable after the time required (under Section 14-833 of the Tax-Property Article) for the filing of action to foreclose the right of redemption, if there has been no redemption and if an action to foreclose the right of redemption has not been filed within that time. In addition, the high bid premium will not be refunded in the event a tax sale foreclosure suit is dismissed and there has been no

redemption.

On redemption, the plaintiff or the holder of the certificate of sale may be reimbursed for attorney's fees and expenses incurred in any action or in preparation for any action to foreclose the right of redemption as specifically provided in Section 14-843 of the Tax Property Article.

Pursuant to Section 14-843(b)(1) of the Tax Property Article, the plaintiff or holder of the certificate "is not entitled to be reimbursed for expenses incurred within four months after the date of sale" unless an expedited foreclosure suit has been authorized in accordance with Section 14-843(b)(2)(i) and Section 14-833(e) of the Tax Property Article.

Upon request by the County and/or the person redeeming, purchaser agrees to provide an itemized bill of charges levied in accordance with the above paragraph. Return of the bid premium to the purchaser may be withheld until the itemized bill is received.

The tax sale purchaser and his/her attorney agree to:

1. Provide to the Treasury Department the number of a telephone that will be answered during business hours by a staff member.
2. Provide to the party attempting to redeem the property from tax sale, an itemized list of the full amount due for legal fees and expenses within two business days of the request.

The tax sale purchaser and his/her attorney also agree to provide to the redeeming party a written release immediately upon receipt of the fees and expenses. A copy of the release shall be faxed immediately to the Treasury Department. Failure of the purchaser or his/her attorney to comply with these requirements may result in the purchaser being barred from future sales.

Bidders/purchasers must pay for all certificates awarded, including the high bid premium, by ACH no later than 4:00 p.m. the day following the auction. Purchasers must ensure the funds are sent to the County by 4:00 p.m.

The County will confirm with its bank the receipt of the payment.

If, in the very unlikely event, there should be complications arising during the sale, all bidders will be notified via email, text message or telephone (information provided by the bidder on the bidder registration form) when the auction will resume.

Questions regarding the tax sale policies may be directed to the Treasury Department of Frederick County at 301-600-1111 or emailed to taxsale@frederickcountymd.gov.

DIANE E. FOX, CPA
Director of Treasury
Frederick County, Maryland

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	Name (as shown on your income tax return)	
	Business name/disregarded entity name, if different from above	
	Check appropriate box for federal tax classification: <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ <input type="checkbox"/> Other (see instructions) ▶ _____	Exemptions (see instructions): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____
	Address (number, street, and apt. or suite no.)	Requester's name and address (optional)
	City, state, and ZIP code	
List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Social security number									

Note. If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Employer identification number									

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below), and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. The IRS has created a page on www.irs.gov/w9 for information about Form W-9, at www.irs.gov/w9. Information about any future developments affecting Form W-9 (such as legislation enacted after we release it) will be posted on that page.

Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, payments made to you in settlement of payment card and third party network transactions, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the

withholding tax on foreign partners' share of effectively connected income, and

4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity,
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust, and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS a percentage of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* on page 1.

What is FATCA reporting? The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account, for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the "Name" line. You may enter your business, trade, or "doing business as (DBA)" name on the "Business name/disregarded entity name" line.

Partnership, C Corporation, or S Corporation. Enter the entity's name on the "Name" line and any business, trade, or "doing business as (DBA) name" on the "Business name/disregarded entity name" line.

Disregarded entity. For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulation section 301.7701-2(c)(2)(ii). Enter the owner's name on the "Name" line. The name of the entity entered on the "Name" line should never be a disregarded entity. The name on the "Name" line must be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on the "Name" line. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on the "Business name/disregarded entity name" line. If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Note. Check the appropriate box for the U.S. federal tax classification of the person whose name is entered on the "Name" line (individual/sole proprietor, Partnership, C Corporation, S Corporation, Trust/estate).

Limited Liability Company (LLC). If the person identified on the "Name" line is an LLC, check the "limited liability company" box only and enter the appropriate code for the U.S. federal tax classification in the space provided. If you are an LLC that is treated as a partnership for U.S. federal tax purposes, enter "P" for partnership. If you are an LLC that has filed a Form 8832 or a Form 2553 to be taxed as a corporation, enter "C" for C corporation or "S" for S corporation, as appropriate. If you are an LLC that is disregarded as an entity separate from its owner under Regulation section 301.7701-3 (except for employment and excise tax), do not check the LLC box unless the owner of the LLC (required to be identified on the "Name" line) is another LLC that is not disregarded for U.S. federal tax purposes. If the LLC is disregarded as an entity separate from its owner, enter the appropriate tax classification of the owner identified on the "Name" line.

Other entities. Enter your business name as shown on required U.S. federal tax documents on the "Name" line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the "Business name/disregarded entity name" line.

Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the *Exemptions* box, any code(s) that may apply to you. See *Exempt payee code* and *Exemption from FATCA reporting code* on page 3.

Exempt payee code. Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends. Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

The following codes identify payees that are exempt from backup withholding:

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney, and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Reg. section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Reg. section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on page 2), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on the "Name" line must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. **Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
2. **Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
3. **Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
4. **Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).
5. **Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions.** You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ³
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulation section 1.671-4(b)(2)(i)(A))	The grantor [*]
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulation section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or "DBA" name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 1.

^{*}Note. Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



FREDERICK COUNTY GOVERNMENT

DIVISION OF FINANCE

Erin M. White, CPA, Acting Director

Winchester Hall, 12 East Church Street
Frederick, Maryland 21701

www.FrederickCountyMD.gov

O: 301-600-1117 F: 301-600-2302

Commissioners

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Vice President

Billy Shreve
David P. Gray
Kirby Delauter

Lori L. Depies, CPA
County Manager

ACH ENROLLMENT FORM (Checking Accounts Only)

ACH ACTION REQUESTED – Place an "X" in the appropriate box to indicate if you are requesting to Start ACH, Change your current ACH Information or Cancel (Discontinue) receiving payments via ACH.			
START	<input type="checkbox"/>	CANCEL	<input type="checkbox"/>
CHANGE			<input type="checkbox"/>
IMPORTANT: If you are submitting a start or change request, you MUST include a voided check along with the completed form or your request will not be processed			
VENDOR INFORMATION			
NAME: _____			
ADDRESS: _____			
PHONE NUMBER: _____			
E-MAIL ADDRESS: _____			
FINANCIAL INSTITUTION INFORMATION (Checking Accounts Only)			
FINANCIAL INSTITUTION NAME: _____			
ADDRESS: _____			
ROUTING TRANSIT NUMBER: (9 DIGITS) _____			
ACCOUNT NUMBER: _____			

Authorization: I hereby authorize Frederick County Government to initiate credit entries by Automated Clearing House (ACH) using the information contained on this request form. Vendor agrees to return any ACH payments incorrectly disbursed by Frederick County Government. This authorization agreement is to remain in full force and effective until I have given written notification of its termination or change. Until further notice, deposit accordingly. Failure to maintain current information with this office could result in an error in payment processing. A processing fee will be issued if payment is rejected by the bank due to incorrect information received.

Please retain a copy for your records. Please allow approximately 30 days from the date of your request for Frederick County Government to process your request. If you have any questions please contact Accounts Payable at 301-600-1352, accountspayable@frederickcountymd.gov or Brandy McDermott, Accounts Payable Manager at 301-600-1124, bmcdermott@FrederickCountyMD.gov.

PLEASE NOTE: Once payment has been electronically submitted no additional information will be provided to the payee. (i.e. Advice Stub or itemized statement of payment sent)

Signature of Account Holder:

Date: _____

Signature of Joint Account Holder(s) (if applicable):

Date: _____

Please return the completed form to Accounts Payable via email – accountspayable@frederickcountymd.gov,
Fax – 301-600-1302 or by Mail to:
Frederick County Government, Accounts Payable Department, 12 E Church Street, Frederick, MD 21701