

HOUSE BILL 390

Q3

6lr0389
CF SB 425

By: Delegates Reilly, Adams, Afzali, Anderton, Arentz, Aumann, Buckel, Carozza, Cassilly, Ciliberti, Cluster, Flanagan, Ghrist, Hornberger, S. Howard, Impallaria, Jacobs, Kipke, Kittleman, Krebs, Lisanti, Long, Malone, Mautz, McComas, McConkey, McDonough, McKay, McMillan, Metzgar, W. Miller, Morgan, Otto, Parrott, Rey, Rose, Saab, Shoemaker, Simonaire, Szeliga, Vogt, B. Wilson, and Wivell

Introduced and read first time: January 28, 2016

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

Read second time: April 4, 2016

CHAPTER _____

1 AN ACT concerning

2 **Maryland Income Tax Refunds – Warrant Intercept Program – Statewide**

3 FOR the purpose of authorizing certain counties to participate, for a certain period of time,
4 in a certain income tax refund withholding program related to individuals with
5 outstanding warrants if the sheriff of the county notifies the Comptroller of the
6 county's intention to participate on or before a certain date; repealing certain
7 provisions of law that prohibit a certain provision of law that prohibits the program
8 from applying to certain individuals members of the armed forces; requiring the
9 Governor's Office of Crime Control and Prevention to conduct a certain annual study
10 and to provide a certain annual report; making nonsubstantive changes to certain
11 termination provisions; making conforming changes; providing for the effective dates
12 of this Act; providing for the termination of this Act; and generally relating to
13 withholding income tax refunds of individuals with outstanding warrants.

14 BY repealing and reenacting, without amendments,
15 Article – Tax – General
16 Section 13–935 and 13–937 through 13–940
17 Annotated Code of Maryland
18 (2010 Replacement Volume and 2015 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
2 Article – Tax – General
3 Section 13–936
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2015 Supplement)

6 BY adding to
7 Article – Tax – General
8 Section 13–941
9 Annotated Code of Maryland
10 (2010 Replacement Volume and 2015 Supplement)

11 BY repealing and reenacting, with amendments,
12 Chapter 451 of the Acts of the General Assembly of 2012, as amended by Chapter
13 213 of the Acts of the General Assembly of 2013
14 Section 3

15 BY repealing and reenacting, with amendments,
16 Chapter 213 of the Acts of the General Assembly of 2013
17 Section 3

18 BY repealing and reenacting, with amendments,
19 Article – Tax – General
20 Section ~~13–936(a)~~ 13–936
21 Annotated Code of Maryland
22 (2010 Replacement Volume and 2015 Supplement)
23 (As enacted by Section 1 of this Act)

24 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
25 That the Laws of Maryland read as follows:

26 **Article – Tax – General**

27 13–935.

28 (a) In this part the following words have the meanings indicated.

29 (b) “Refund” means an individual’s Maryland income tax refund.

30 (c) (1) “Warrant” means a criminal arrest warrant.

31 (2) “Warrant” includes a warrant issued for or that results from:

32 (i) a failure to appear before a court of the State;

33 (ii) a violation of the Maryland Vehicle Law that is punishable by a
34 term of confinement; or

1 (iii) a violation of probation.

2 (3) "Warrant" does not include a body attachment.

3 (d) "Warrant official" means an official of the federal, State, or local government
4 charged with serving a warrant.

5 13-936.

6 (a) **(1) (a)** This part applies only to individuals who:

7 **[(1)] ~~(1)~~** are residents of Anne Arundel County, Baltimore City, [or]
8 Washington County, **OR A COUNTY THAT PARTICIPATES IN THE PROGRAM UNDER**
9 **THIS PART**; or

10 **[(2)] ~~(1)~~ (2)** have an outstanding warrant from Anne Arundel County,
11 Baltimore City, [or] Washington County, **OR A COUNTY THAT PARTICIPATES IN THE**
12 **PROGRAM UNDER THIS PART.**

13 **~~(2)~~ (B)** A COUNTY MAY PARTICIPATE IN THE PROGRAM UNDER THIS
14 PART IF THE SHERIFF OF THE COUNTY NOTIFIES THE COMPTROLLER OF THE
15 COUNTY'S INTENTION TO PARTICIPATE ON OR BEFORE DECEMBER 31 OF THE FIRST
16 TAXABLE YEAR FOR WHICH THE COUNTY INTENDS TO PARTICIPATE.

17 **~~(3)~~ (C)** A COUNTY'S PARTICIPATION IN THE PROGRAM UNDER THIS
18 PART CONTINUES UNTIL THE SHERIFF OF THE COUNTY NOTIFIES THE
19 COMPTROLLER OF THE COUNTY'S INTENTION NOT TO PARTICIPATE IN THE
20 PROGRAM.

21 (b) This part does not apply to an individual~~s~~

22 ~~(1) who is an active duty member of the armed forces of the United States;~~
23 ~~or~~

24 ~~(2)~~ who files a joint Maryland income tax return.

25 13-937.

26 A warrant official may:

27 (1) certify to the Comptroller the existence of an outstanding warrant for
28 an individual who is a resident of Maryland or who receives income from Maryland; and

29 (2) request the Comptroller to withhold any refund to which the individual
30 is entitled.

1 13-938.

2 (a) A certification by a warrant official to the Comptroller shall include:

3 (1) the full name and address of the individual and any other names known
4 to be used by the individual;

5 (2) the Social Security number or federal tax identification number; and

6 (3) a statement that the warrant is outstanding.

7 (b) The Comptroller shall determine if an individual for whom a certification is
8 received is due a refund.

9 (c) As to any individual due a refund for whom a certification is received, the
10 Comptroller shall:

11 (1) withhold the individual's refund; and

12 (2) notify the individual of a certification by the warrant official of the
13 existence of an outstanding warrant.

14 (d) The Comptroller may not pay a refund until the warrant official notifies the
15 Comptroller that the warrant is no longer outstanding.

16 13-939.

17 The Comptroller shall withhold and pay any amount as provided in § 13-918 of this
18 subtitle before withholding any part of an income tax refund under § 13-938 of this part.

19 13-940.

20 On or before December 1 of each year, the Office of the Comptroller shall report to
21 the House Ways and Means Committee and the Senate Budget and Taxation Committee,
22 in accordance with § 2-1246 of the State Government Article, on the implementation of §§
23 13-935 through 13-939 of this part.

24 **13-941.**

25 **(A) THE GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION, IN**
26 **CONSULTATION WITH THE COMPTROLLER, SHALL:**

27 **(1) STUDY:**

1 **(I) THE TOTAL NUMBER OF TAX REFUNDS WITHHELD BY THE**
 2 **COMPTROLLER UNDER TITLE 13, SUBTITLE 9, PART VII OF THE TAX – GENERAL**
 3 **ARTICLE;**

4 **(II) THE AVERAGE AMOUNT OF THE TAX REFUNDS WITHHELD BY**
 5 **THE COMPTROLLER;**

6 **(III) THE POTENTIAL DIFFERENCES IN THE SERVICE OF**
 7 **WARRANTS OR REQUESTS BY WARRANT OFFICIALS TO THE COMPTROLLER TO**
 8 **WITHHOLD TAX REFUNDS UNDER THE PROGRAM BASED ON RACE;**

9 **(IV) THE TYPES OF WARRANTS AND SPECIFIC CHARGES THAT**
 10 **PROMPTED THE REQUESTS BY WARRANT OFFICIALS TO THE COMPTROLLER TO**
 11 **WITHHOLD REFUNDS, INCLUDING WARRANTS RELATED TO CRIMINAL VIOLATIONS,**
 12 **CIVIL MATTERS, MOTOR VEHICLE VIOLATIONS, AND FAILURES TO APPEAR;**

13 **(V) THE EFFECTIVENESS OF WITHHOLDING REFUNDS ON**
 14 **RESOLVING OUTSTANDING WARRANTS IN EACH JURISDICTION OF THE STATE; AND**

15 **(VI) WHETHER ANY WITHHELD REFUNDS WERE CONTESTED;**
 16 **AND**

17 **(2) MAKE RECOMMENDATIONS REGARDING CONTINUED**
 18 **IMPLEMENTATION OF THE PROGRAM IN A MANNER THAT ENSURES THAT THE**
 19 **PROGRAM DOES NOT DISPARATELY IMPACT INDIVIDUALS ON RACIAL GROUNDS.**

20 **(B) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE GOVERNOR'S**
 21 **OFFICE OF CRIME CONTROL AND PREVENTION SHALL REPORT ITS FINDINGS AND**
 22 **RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF**
 23 **THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.**

24 **Chapter 451 of the Acts of 2012, as amended by Chapter 213 of the Acts of 2013**

25 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
 26 October 1, 2012. [Section 1 of this Act shall remain effective for a period of 6 years and, at
 27 the end of September 30, 2018, with no further action required by the General Assembly,
 28 Section 1 of this Act shall be abrogated and of no further force and effect.]

29 **Chapter 213 of the Acts of 2013**

30 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 31 1, 2013. [Section 1 of this Act shall remain effective until the taking effect of the
 32 termination provision specified in Section 3 of Chapter 451 of the Acts of 2012. If that
 33 termination provision takes effect, Section 1 of this Act shall be abrogated and of no further
 34 force and effect.]

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
2 as follows:

3 **Article – Tax – General**

4 13–936.

5 (a) ~~(1)~~ This part applies only to individuals who:

6 ~~(i)~~ (1) are residents of [Anne Arundel County,] Baltimore City,
7 Washington County, or a county that participates in the program under this part; or

8 ~~(ii)~~ (2) have an outstanding warrant from [Anne Arundel
9 County,] Baltimore City, Washington County, or a county that participates in the program
10 under this part.

11 ~~(2)~~ (b) A county may participate in the program under this part if the
12 sheriff of the county notifies the Comptroller of the county's intention to participate on or
13 before December 31 of the first taxable year for which the county intends to participate.

14 ~~(3)~~ (c) A county's participation in the program under this part continues
15 until the sheriff of the county notifies the Comptroller of the county's intention not to
16 participate in the program.

17 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
18 effect October 1, 2018.

19 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
20 3 of this Act, this Act shall take effect October 1, 2016. It shall remain effective for a period
21 of 3 years and, at the end of September 30, 2019, with no further action required by the
22 General Assembly, this Act shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.