

HOUSE BILL 459

Q1, O3

1lr1858

By: **Delegate Mangione**

Introduced and read first time: January 15, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Disabled Active Duty Service Members, Disabled Veterans, and Surviving**
3 **Spouses – Exemption From Property Tax and Other Charges and Refunds**

4 FOR the purpose of exempting certain dwelling houses owned by a disabled active duty
5 service member, disabled veteran, or surviving spouse from certain charges imposed
6 by the State; requiring the State, a county, or a municipal corporation to pay a
7 certain refund to a disabled active duty service member, disabled veteran, or
8 surviving spouse under certain circumstances; requiring the State, a county, or a
9 municipal corporation to pay interest on the refund under certain circumstances;
10 defining a certain term; providing for the application of this Act; and generally
11 relating to exemptions from property tax and other State charges and refunds for
12 dwelling houses owned by disabled active duty service members, disabled veterans,
13 or surviving spouses.

14 BY adding to
15 Article – Tax – Property
16 Section 1–306
17 Annotated Code of Maryland
18 (2019 Replacement Volume and 2020 Supplement)

19 BY repealing and reenacting, without amendments,
20 Article – Tax – Property
21 Section 7–208(a)
22 Annotated Code of Maryland
23 (2019 Replacement Volume and 2020 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article – Tax – Property
26 Section 7–208(g) and (h)
27 Annotated Code of Maryland
28 (2019 Replacement Volume and 2020 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

3 **Article – Tax – Property**

4 **1–306.**

5 (A) IN THIS SECTION, “DWELLING HOUSE” HAS THE MEANING STATED IN §
6 7–208 OF THIS ARTICLE.

7 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DWELLING
8 HOUSE THAT IS EXEMPT UNDER § 7–208 OF THIS ARTICLE IS ALSO EXEMPT FROM
9 ANY OTHER FEE OR CHARGE IMPOSED BY THE STATE THAT IS DIRECTLY RELATED
10 TO THE DWELLING HOUSE.

11 7–208.

12 (a) (1) In this section the following words have the meanings indicated.

13 (2) “Disabled active duty service member” means an individual in active
14 service of the military, naval, or air service as defined in 38 U.S.C. § 101 who has a service
15 connected physical disability that:

16 (i) is reasonably certain to continue for the life of the service
17 member; and

18 (ii) was not caused or incurred by misconduct of the service member.

19 (3) (i) “Disabled veteran” means an individual who:

20 1. is honorably discharged or released under honorable
21 circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101; and

22 2. has been declared by the Veterans’ Administration to have
23 a permanent 100% service connected disability that results from blindness or other
24 disabling cause that:

25 A. is reasonably certain to continue for the life of the veteran;
26 and

27 B. was not caused or incurred by misconduct of the veteran.

28 (ii) “Disabled veteran” includes an individual who qualifies
29 posthumously for a 100% service connected disability.

1 (4) "Dwelling house":

2 (i) means real property that is:

3 1. the legal residence of a disabled active duty service
4 member, disabled veteran, or surviving spouse; and

5 2. occupied by not more than 2 families; and

6 (ii) includes the lot or curtilage and structures necessary to use the
7 real property as a residence.

8 (5) "Individual who died in the line of duty" means an individual who died
9 while in the active military, naval, or air service of the United States as a result of an injury
10 or disease that is deemed under 38 U.S.C. § 105 to have been incurred in the line of duty.

11 (6) "Surviving spouse" means an individual who has not remarried and
12 who:

13 (i) is the surviving spouse of a disabled veteran;

14 (ii) is the surviving spouse of an individual who died in the line of
15 duty; or

16 (iii) receives Dependency and Indemnity Compensation from the
17 United States Department of Veterans Affairs.

18 (g) (1) **[In] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**
19 **IN** the taxable years in which an exemption under this section was authorized but not
20 granted, **[the governing body of] THE STATE**, a county, or a municipal corporation **[may**
21 **authorize, by law,] SHALL PAY** a refund to an individual described below who receives an
22 exemption under this section:

23 (i) **TO A DISABLED ACTIVE DUTY SERVICE MEMBER, DISABLED**
24 **VETERAN, OR SURVIVING SPOUSE FOR ANY STATE PROPERTY TAX PAID;**

25 **(II)** to a disabled active duty service member, disabled veteran, or
26 surviving spouse for any county property tax paid; or

27 **[(ii)] (III)** to a disabled active duty service member or disabled
28 veteran for any municipal corporation property tax paid.

29 (2) **A DISABLED ACTIVE DUTY SERVICE MEMBER OR DISABLED**
30 **VETERAN MAY APPLY FOR A REFUND OF STATE, COUNTY, AND MUNICIPAL**
31 **CORPORATION PROPERTY TAX PAID ON THE DWELLING HOUSE WHILE THE**
32 **EXEMPTION WAS AVAILABLE ONLY IF THE DISABLED ACTIVE DUTY SERVICE MEMBER**

1 **OR DISABLED VETERAN APPLIES FOR THE EXEMPTION DURING THE**
2 **5-YEAR PERIOD BEGINNING WITH THE CALENDAR YEAR IN WHICH THE DISABLED**
3 **ACTIVE DUTY SERVICE MEMBER OR DISABLED VETERAN INITIALLY BECAME**
4 **ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION.**

5 **(3)** A surviving spouse may apply for a refund of **STATE**, county, **AND**
6 **MUNICIPAL CORPORATION** property tax paid on the dwelling house while the exemption
7 was available, only if the surviving spouse applies for the exemption during the 3-year
8 period beginning with the calendar year in which the surviving spouse initially became
9 eligible for an exemption under this section.

10 (h) (1) For the purposes of subsections (f) and (g) of this section, **THE STATE**,
11 a county, or **A** municipal corporation shall pay to a disabled active duty service member,
12 disabled veteran, or surviving spouse interest on the amount of a refund if:

13 (i) [the governing body has authorized the refund;

14 (ii)] the disabled active duty service member, disabled veteran, or
15 surviving spouse is eligible and has applied for the refund; and

16 [(iii)] **(II)** the **STATE**, county, or municipal corporation fails to make
17 the refund within 60 days after the eligible disabled active duty service member, disabled
18 veteran, or surviving spouse has applied for the refund.

19 (2) If interest is payable under this subsection:

20 (i) **THE STATE SHALL PAY INTEREST AT THE RATE THE STATE**
21 **CHARGES ON OVERDUE TAXES;**

22 **(II)** the county or municipal corporation shall pay interest at the rate
23 the county or municipal corporation charges on overdue taxes; and

24 [(i)] **(III)** interest shall accrue from the date the **REFUND**
25 application is filed with the **STATE**, county, or municipal corporation.

26 **SECTION 2. AND BE IT FURTHER ENACTED**, That this Act shall be construed to
27 apply retroactively and shall be applied to and interpreted to affect all taxable years
28 beginning after June 30, 2016.

29 **SECTION 3. AND BE IT FURTHER ENACTED**, That this Act shall take effect
30 June 1, 2021.