

HOUSE BILL 62

Q1

3lr0374

By: **Delegate Aumann**

Introduced and read first time: January 10, 2013

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Exemption – Surviving Spouse of a Veteran – Eligibility**

3 FOR the purpose of exempting a dwelling house from the property tax if the dwelling
4 house is owned by a surviving spouse who receives Dependency and Indemnity
5 Compensation from the United States Department of Veterans Affairs;
6 requiring certain information to be submitted with an application for the
7 property tax exemption; providing for the application of this Act; and generally
8 relating to a property tax exemption for a surviving spouse of a veteran.

9 BY repealing and reenacting, with amendments,
10 Article – Tax – Property
11 Section 7–208
12 Annotated Code of Maryland
13 (2012 Replacement Volume)

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

16 **Article – Tax – Property**

17 7–208.

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

19 (2) (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;
22 and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (ii) a surviving spouse of an individual who died in the line of
2 duty, if:

3 1. the dwelling house was owned by the individual at the
4 time of the individual's death;

5 2. the dwelling house was acquired by the surviving
6 spouse within 2 years of the individual's death, if the individual or the surviving
7 spouse was domiciled in the State as of the date of the individual's death; or

8 3. the dwelling house was acquired after the surviving
9 spouse qualified for exemption for a former dwelling house under item 1 or 2 of this
10 item, to the extent of the previous exemption; [or]

11 (iii) a surviving spouse of a disabled veteran who meets the
12 requirements of subsection (c) of this section; [and] OR

13 (IV) A SURVIVING SPOUSE WHO RECEIVES DEPENDENCY
14 AND INDEMNITY COMPENSATION FROM THE UNITED STATES DEPARTMENT OF
15 VETERANS AFFAIRS; AND

16 (2) the application requirements of subsection (d) of this section are
17 met.

18 (c) Except as provided in subsections (d) and (e) of this section, after a
19 disabled veteran dies, the surviving spouse of the disabled veteran shall receive a
20 disabled veteran's property tax exemption:

21 (1) for the dwelling house that was formerly owned by the disabled
22 veteran:

23 (i) if the dwelling house received an exemption under this
24 section; and

25 (ii) if the surviving spouse owns and resides in the dwelling
26 house;

27 (2) for the dwelling house that was formerly occupied by the disabled
28 veteran:

29 (i) if the dwelling house did not receive an exemption under
30 this section;

31 (ii) if the disabled veteran was domiciled in the State at death;
32 and

1 (iii) if the surviving spouse owns and resides in the dwelling
2 house; and

3 (3) for a dwelling house subsequently acquired by the surviving
4 spouse, equal to the exemption for the former dwelling house when the dwelling house
5 owned by the surviving spouse was transferred by the surviving spouse:

6 (i) if the surviving spouse owns and resides in the subsequently
7 acquired dwelling house; and

8 (ii) if the surviving spouse has qualified under item (1) or (2) of
9 this subsection.

10 (d) (1) **(I)** A disabled veteran or a surviving spouse of a disabled
11 veteran shall apply for an exemption under this section by providing to the supervisor:

12 **[(i)] 1.** a copy of the disabled veteran's discharge certificate
13 from active military, naval, or air service; and

14 **[(ii)] 2.** on the form provided by the Department, a
15 certification of the disabled veteran's disability from the Veterans' Administration.

16 **[(2)] (II)** The disabled veteran's certificate of disability may not be
17 inspected by individuals other than:

18 **[(i)] 1.** the disabled veteran; or

19 **[(ii)] 2.** appropriate employees of the State, a county, or a
20 municipal corporation.

21 **[(3)] (2)** A surviving spouse of an individual who died in the line of
22 duty shall apply for an exemption under this section by providing to the supervisor
23 certification that the individual died while in active service as a result of an injury or
24 disease incurred in the line of duty.

25 **(3) A SURVIVING SPOUSE WHO RECEIVES DEPENDENCY AND**
26 **INDEMNITY COMPENSATION FROM THE UNITED STATES DEPARTMENT OF**
27 **VETERANS AFFAIRS SHALL APPLY FOR AN EXEMPTION UNDER THIS SECTION BY**
28 **PROVIDING TO THE SUPERVISOR CERTIFICATION FROM THE UNITED STATES**
29 **DEPARTMENT OF VETERANS AFFAIRS THAT THE INDIVIDUAL RECEIVES**
30 **DEPENDENCY AND INDEMNITY COMPENSATION.**

31 (e) (1) Except as provided in paragraph (2) of this subsection, an
32 exemption under this section shall be granted in addition to any other exemption
33 authorized by law.

1 (2) An individual may receive an exemption under this section or
2 under § 7–207 of this subtitle but not under both.

3 (f) (1) An exemption under this section is prorated by the supervisor for
4 any part of a taxable year that remains after the date in the year when the disabled
5 veteran or the surviving spouse applies for the exemption.

6 (2) Notwithstanding any other provision of this article, if a dwelling is
7 transferred to a disabled veteran or a surviving spouse who qualifies for an exemption
8 under this section, the exemption applies and the property tax is abated from the date
9 of settlement for the purchase of the property, if the transferee applies for the
10 exemption within 30 days after the settlement for the purchase of the property.

11 (3) The Department shall adopt regulations to administer the
12 provisions of paragraph (2) of this subsection.

13 (g) (1) In the taxable years in which an exemption under this section was
14 authorized but not granted, the governing body of a county or a municipal corporation
15 may authorize, by law, a refund to an individual described below who receives an
16 exemption under this section:

17 (i) to a disabled veteran or a surviving spouse for any county
18 property tax paid; or

19 (ii) to a disabled veteran for any municipal corporation property
20 tax paid.

21 (2) A surviving spouse may apply for a refund of county property tax
22 paid on the dwelling house while the exemption was available, only if the surviving
23 spouse applies for the exemption during the 3–year period beginning with the calendar
24 year in which the surviving spouse initially became eligible for an exemption under
25 this section.

26 (h) (1) For the purposes of subsections (f) and (g) of this section, a county
27 or municipal corporation shall pay to a disabled veteran or surviving spouse interest
28 on the amount of a refund if:

29 (i) the governing body has authorized the refund;

30 (ii) the disabled veteran or surviving spouse is eligible and has
31 applied for the refund; and

32 (iii) the county or municipal corporation fails to make the refund
33 within 60 days after the eligible disabled veteran or surviving spouse has applied for
34 the refund.

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

1 (i) the county or municipal corporation shall pay interest at the
2 rate the county or municipal corporation charges on overdue taxes; and

3 (ii) interest shall accrue from the date the application is filed
4 with the county or municipal corporation.

5 (i) Each county shall include information on the property tax bill about the
6 availability of the property tax exemption for disabled veterans and surviving spouses
7 authorized under this section.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
9 June 1, 2013, and shall be applicable to all taxable years beginning after June 30,
10 2013.