

Chapter 520

(Senate Bill 777)

AN ACT concerning

Property Tax – Exemption for Dwelling House Owned by Disabled Active Duty Service Member

FOR the purpose of exempting from the property tax under certain circumstances dwelling houses owned by certain disabled active duty service members; requiring a disabled active duty service member to apply for the exemption and provide to the supervisor of assessments for a county a certain certification of disability; authorizing a county or municipal corporation to authorize, by law, a refund to a disabled active duty service member under certain circumstances; requiring the governing body of a county or municipal corporation to pay interest on the refund under certain circumstances; requiring a county to include certain information on the property tax bill; defining a certain term; making conforming changes; providing for the application of this Act; and generally relating to a property tax exemption for dwelling houses owned by disabled active duty service members.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–208
Annotated Code of Maryland
(2012 Replacement Volume and 2018 Supplement)

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

Article – Tax – Property

7–208.

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

(2) “DISABLED ACTIVE DUTY SERVICE MEMBER” MEANS AN INDIVIDUAL IN ACTIVE SERVICE OF THE MILITARY, NAVAL, OR AIR SERVICE AS DEFINED IN 38 U.S.C. § 101 WHO HAS A SERVICE CONNECTED PHYSICAL DISABILITY THAT:

(I) IS REASONABLY CERTAIN TO CONTINUE FOR THE LIFE OF THE SERVICE MEMBER; AND

(II) WAS NOT CAUSED OR INCURRED BY MISCONDUCT OF THE SERVICE MEMBER.

[(2)] (3) (i) “Disabled veteran” means an individual who:

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

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

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

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

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

[(3)] (4) “Dwelling house”:

(i) means real property that is:

1. the legal residence of a **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or [a] surviving spouse; and

2. occupied by not more than 2 families; and

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

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

[(5)] (6) “Surviving spouse” means an individual who has not remarried and who:

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

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

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

(b) Except as provided in subsection (e) of this section, a dwelling house is exempt from property tax if:

(1) the dwelling house is owned by:

(I) A DISABLED ACTIVE DUTY SERVICE MEMBER;

~~[(i)]~~ **(II)** a disabled veteran;

~~[(ii)]~~ **(III)** a surviving spouse of an individual who died in the line of duty, if:

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

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

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

~~[(iii)]~~ **(IV)** a surviving spouse of a disabled veteran who meets the requirements of subsection (c) of this section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) a copy of the disabled veteran's discharge certificate from active military, naval, or air service; and

(ii) on the form provided by the Department, a certification of the disabled veteran's disability from the Veterans' Administration.

(2) The disabled veteran's certificate of disability may not be inspected by individuals other than:

(i) the disabled veteran; or

(ii) appropriate employees of the State, a county, or a municipal corporation.

(3) A DISABLED ACTIVE DUTY SERVICE MEMBER SHALL APPLY FOR AN EXEMPTION UNDER THIS SECTION BY PROVIDING TO THE SUPERVISOR, ON THE FORM PROVIDED BY THE DEPARTMENT, A CERTIFICATION OF THE SERVICE MEMBER'S DISABILITY FROM A PHYSICIAN LICENSED TO PRACTICE MEDICINE IN THE STATE OR FROM THE VETERANS' ADMINISTRATION.

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

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

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

(f) (1) An exemption under this section is prorated by the supervisor for any part of a taxable year that remains after the date in the year when the **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or [the] surviving spouse applies for the exemption.

(2) Notwithstanding any other provision of this article, if a dwelling is transferred to a **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or [a] surviving spouse who qualifies for an exemption under this section, the exemption applies and the property tax is abated from the date of settlement for the purchase of the property, if the transferee applies for the exemption within 30 days after the settlement for the purchase of the property.

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

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

(i) to a **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or [a] surviving spouse for any county property tax paid; or

(ii) to a **DISABLED ACTIVE DUTY SERVICE MEMBER OR** disabled veteran for any municipal corporation property tax paid.

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

(h) (1) For the purposes of subsections (f) and (g) of this section, a county or municipal corporation shall pay to a **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or surviving spouse interest on the amount of a refund if:

(i) the governing body has authorized the refund;

(ii) the **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or surviving spouse is eligible and has applied for the refund; and

(iii) the county or municipal corporation fails to make the refund within 60 days after the eligible **DISABLED ACTIVE DUTY SERVICE MEMBER**, disabled veteran, or surviving spouse has applied for the refund.

(2) If interest is payable under this subsection:

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

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

(i) Each county shall include information on the property tax bill about the availability of the property tax exemption for **DISABLED ACTIVE DUTY SERVICE MEMBERS**, disabled veterans, and surviving spouses authorized under this section.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2019, and shall be applicable to all taxable years beginning after June 30, 2019.

Approved by the Governor, May 13, 2019.