HOUSE BILL 1252

Q1 4lr2414

By: **Delegates Wilson, Costa, Glenn, Haynes, K. Kelly, Love, Stein, Tarrant, Vaughn, and Walker**

Introduced and read first time: February 7, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

Property Tax Exemption – Disabled Veterans and Surviving Spouses – Percentage of Disability

FOR the purpose of expanding eligibility for a property tax exemption for disabled veterans and surviving spouses of veterans to include veterans and surviving spouses of veterans with at least a certain percentage of service connected disability; requiring that the amount of the property tax exemption be equal to the percentage of service connected disability of the disabled veteran; making conforming changes; providing for the application of this Act; and generally relating to the property tax exemption for disabled veterans and surviving spouses of veterans.

BY repealing and reenacting, with amendments,
Article – Tax – Property
Section 7–208(a) and (b)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY adding to
Article – Tax – Property
Section 7–208(a–1)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,
Article – Tax – Property
Section 7–208(c) and (d)
Annotated Code of Maryland
(2012 Replacement Volume and 2013 Supplement)

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

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) (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%**] 50% OR GREATER** 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%**] 50% OR GREATER** service connected disability.

(3) "Dwelling house":

(i) means real property that is:

1. the legal residence of a 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) "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.

(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.

(A–1) A DISABLED VETERAN OR A SURVIVING SPOUSE THAT MEETS THE REQUIREMENTS OF THIS SECTION SHALL RECEIVE A PROPERTY TAX EXEMPTION FOR A DWELLING HOUSE OF AN AMOUNT EQUAL TO THE PERCENTAGE OF SERVICE CONNECTED DISABILITY OF THE DISABLED VETERAN.

(b) Except as provided in subsection (e) of this section, a dwelling house is exempt from property tax **TO THE EXTENT PROVIDED IN SUBSECTION (A–1) OF THIS SECTION** if:

(1) the dwelling house is owned by:

(i) a disabled veteran;

(ii) 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) 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 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.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2014, and shall be applicable to all taxable years beginning after June 30, 2014.