

SENATE BILL 425

Q3

(6lr2155)

ENROLLED BILL

— Budget and Taxation / Ways and Means —

Introduced by **Senator Reilly**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

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 of the United
9 States; requiring the Governor's Office of Crime Control and Prevention to conduct a
10 certain annual study and to provide a certain annual report; making nonsubstantive
11 changes to certain termination provisions; making conforming changes; providing for
12 the effective dates of this Act; providing for the termination of this Act; and generally
13 relating to withholding income tax refunds of individuals with outstanding warrants.

14 BY repealing and reenacting, without amendments,

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.

Italics indicate opposite chamber / conference committee amendments.



1 Article – Tax – General
 2 Section 13–935 and 13–937 through 13–940
 3 Annotated Code of Maryland
 4 (2010 Replacement Volume and 2015 Supplement)

5 BY repealing and reenacting, with amendments,
 6 Article – Tax – General
 7 Section 13–936
 8 Annotated Code of Maryland
 9 (2010 Replacement Volume and 2015 Supplement)

10 BY adding to
 11 Article – Tax – General
 12 Section 13–941
 13 Annotated Code of Maryland
 14 (2010 Replacement Volume and 2015 Supplement)

15 BY repealing and reenacting, with amendments,
 16 Chapter 451 of the Acts of the General Assembly of 2012, as amended by Chapter
 17 213 of the Acts of the General Assembly of 2013
 18 Section 3

19 BY repealing and reenacting, with amendments,
 20 Chapter 213 of the Acts of the General Assembly of 2013
 21 Section 3

22 BY repealing and reenacting, with amendments,
 23 Article – Tax – General
 24 Section ~~13–936(a)~~ 13–936
 25 Annotated Code of Maryland
 26 (2010 Replacement Volume and 2015 Supplement)
 27 (As enacted by Section 1 of this Act)

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

30 **Article – Tax – General**

31 13–935.

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

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

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

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

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

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

4 (iii) a violation of probation.

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

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

8 13-936.

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

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

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

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

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

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

25 **~~(1)~~** ~~who is an active duty member of the armed forces of the United States;~~
26 ~~or~~

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

28 13-937.

29 A warrant official may:

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

3 (2) request the Comptroller to withhold any refund to which the individual
4 is entitled.

5 13-938.

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

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

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

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

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

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

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

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

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

20 13-939.

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

23 13-940.

24 On or before December 1 of each year, the Office of the Comptroller shall report to
25 the House Ways and Means Committee and the Senate Budget and Taxation Committee,
26 in accordance with § 2-1246 of the State Government Article, on the implementation of §§
27 13-935 through 13-939 of this part.

28 **13-941.**

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

3 **(1) STUDY:**

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

7 **(II) THE AVERAGE AMOUNT OF THE TAX REFUNDS WITHHELD BY**
8 **THE COMPTROLLER;**

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

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

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

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

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

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

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

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

31 **Chapter 213 of the Acts of 2013**

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July
 2 1, 2013. [Section 1 of this Act shall remain effective until the taking effect of the
 3 termination provision specified in Section 3 of Chapter 451 of the Acts of 2012. If that
 4 termination provision takes effect, Section 1 of this Act shall be abrogated and of no further
 5 force and effect.]

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

8 **Article – Tax – General**

9 13–936.

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

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

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

16 ~~(3)~~ (b) A county may participate in the program under this part if the
 17 sheriff of the county notifies the Comptroller of the county’s intention to participate on or
 18 before December 31 of the first taxable year for which the county intends to participate.

19 ~~(4)~~ (c) A county’s participation in the program under this part continues
 20 until the sheriff of the county notifies the Comptroller of the county’s intention not to
 21 participate in the program.

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

24 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section
 25 3 of this Act, this Act shall take effect October 1, 2016. It shall remain effective for a period
 26 of 3 years and, at the end of September 30, 2019, with no further action required by the
 27 General Assembly, this Act shall be abrogated and of no further force and effect.