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Position: FAV



MARYLAND MILITARY COALITION

SUPPORT SENATE BILL 109

Senate Bill 109 – Disabled Active Duty Service Members, Disabled Veterans, and Surviving Spouses – Exemption From Property Tax and Other Charges and Refunds
Senate Budget and Taxation Committee
January 15, 2020

The Maryland Military Coalition is a **nonprofit, all volunteer, Veterans advocacy group** representing the interests of Maryland Veterans, Service members, and their families. Our alliance consists of sixteen organizations, listed on the following page, with over 100,000 members, about one-fourth of Maryland's Veterans and their Families.

The Maryland Military Coalition **supports Senate Bill 109.**

As you know, the real property owned by disabled veterans, as their legal residence, is exempt from taxation, if they have a 100% service-connected disability. Additionally, real property owned by their surviving spouses and the surviving spouses of Service members who died in the line of duty is exempt from taxation.

This important legislation **expands the existing law** to ensure that the beneficiary's dwelling is **exempt from any governmental charges** directly related to the dwelling house, whether imposed by a state, county, municipal corporation, or any other taxing authority. Additionally, this law allows for an eligible recipient to apply for a refund of any such tax paid on the dwelling house during a defined, five-year period.

The Maryland Military Coalition believes we must honor the service and acknowledge the sacrifice of these **severely disabled Veterans**, as well as their **surviving spouses**, and also **Gold Star spouses**.

Senate Bill 109 increases the financial security of our most severely disabled Veterans and their survivors. It ensures home affordability, allowing them to remain in their homes in acknowledgement of their tremendous sacrifices on behalf of our Nation.

We respectfully request a favorable report for Senate Bill 109.

For questions or additional information, please feel free to contact me at
BTSmith1184@outlook.com or by calling 703.623.3678

Member Organizations, Maryland Military Coalition


Air Force Sergeants Association


American Military Society


Commissioned Officers Association of the
US Public Health Service


Disabled American Veterans


Distinguished Flying Cross Association



Fleet Reserve Association


Jewish War Veterans of the USA


Maryland Air National Guard Retirees'
Association

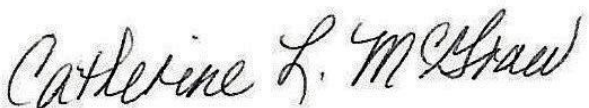

Military Officers Association of America


Military Order of the Purple Heart


National Association for Black Veterans


Naval Enlisted Reserve Association


NOAA Association of Commissioned Officers


Society of Military Widows


The Retired Enlisted Association


Veterans of Foreign Wars

Senate Bill 109 Testimony January 2020

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REPLY TO
ATTENTION OF:

DEPARTMENT OF THE ARMY
US ARMY INSTALLATION MANAGEMENT COMMAND
OFFICE OF THE STAFF JUDGE ADVOCATE
4217 MORRISON STREET
FORT GEORGE G. MEADE, MARYLAND 20755-5030
301-677-5038
Yosefi.M.Seltzer.civ@mail.mil

January 21, 2020

HEARING TESTIMONY FOR SENATE BILL 109

NOTE: This testimony is not intended as an official statement on behalf of the United States Army, the Department of Defense or the United States Government, but is limited to the personal opinions of the author.

I am writing in support of Senate Bill 109, entitled: "Disabled Active Duty Service Members, Disabled Veterans, and Surviving Spouses - Exemption From Property Tax and Other Charges and Refunds". This bill will benefit former military service-members and their dependents with regard to the property tax exemption offered to 100% permanently disabled veterans.

Under existing law, Section 7-208 of the Tax Property Article provides honorably discharged veterans who have a permanent 100% service connected disability with an exemption from paying real estate taxes on their home. The exemption extends to unremarried surviving spouses of honorably discharged 100% disabled veterans along with the surviving spouses and Dependency and Indemnity Compensation beneficiaries of active duty service-members who died in the line of duty in defense of the United States.

SB109 addresses the problem that results from the prolonged processing time it takes the U.S. Department of Veterans Affairs (hereafter: "VA") to determine the veteran is entitled to 100% permanent disability status. Whether the request for a disability determination is an initial determination or a subsequent attempt by the veteran to document a disability that has worsened, the VA often takes months if not years to make a decision. The VA reports it takes 12-18 months to review new appeals and decide whether to grant some or all of the appeal and as long as five (5) to seven (7) years when you request a review from a Veterans Law Judge at the Board of Veterans' Appeals.

If the VA agrees with the applicant that the disability qualifies as a service-connected injury, they can issue retroactive eligibility dating back to the earliest date when the veteran showed there was a disability/worsened disability. During the time it takes the VA to process the Veteran's claim, the Veteran must continue paying real estate taxes. SB109 will ensure that if the veteran is ultimately deemed to be 100% service-connected permanently disabled, she/he would be eligible to get a refund of the real estate taxes that were paid dating back to five (5) years from the calendar year in which the veteran initially was deemed eligible for the 100% service-connected permanent disability.

For clarification, here is an example:

An Operation Enduring Freedom veteran was honorably discharged after serving from 2009-2014. The veteran suffered from Post-Traumatic Stress Disorder (PTSD). Due to difficulties gathering and submitting the proper medical documentation as well as the prolonged VA disability review and appeals process, the veteran ultimately received a 100% Permanent and Total Disability rating in 2019 that was deemed to have an effective date of 2015, the date the veteran filed his claim. While awaiting a decision from the VA, the veteran dutifully paid his real estate taxes. If SB109 is enacted, the veteran would be eligible to get a refund of his real estate taxes dating back to 2015.

SB109 is a sensible way to ensure 100% permanently disabled veterans are refunded the real estate taxes they would not have owed if the VA was more efficient in making decisions. The five (5) year provision sensibly ensures that Counties would not have an open-ended refund liability.

SB109 is a strong step in the right direction to make Maryland a more “military-friendly” state. I therefore conclude that SB109 will benefit military veterans and their families.

Thank you for your attention.

Yosefi Seltzer

Yosefi Seltzer, Esq.

Legal Assistance Supervisory Attorney

Fort George G. Meade, Maryland, is an installation dedicated to providing quality support to service members, Department of Defense civilian employees, family members, and military retirees. Fort Meade strives to be the Nation's Preeminent Center for Information, Intelligence and Cyber.

Every day, more than 100,000 people seek the services Fort Meade offers. Its primary mission is to provide a wide range of services to more than 95 partner organizations from the Army, Navy, Air Force, Marines and Coast Guard, as well as to several federal agencies including the National Security Agency, Defense Media Activity, Defense Information Systems Agency, the Defense Courier Service and the U.S. Cyber Command.

The installation lies approximately five miles east of Interstate 95 and one-half mile east of the Baltimore-Washington Parkway, between Maryland State routes 175 and 198. Fort Meade is located near the communities of Odenton, Laurel, Columbia and Jessup, and is home to approximately 11,000 military personnel along with about 29,000 civilian employees. Nearly 6,000 family members reside on-post. With more than 56,000 employees, Fort Meade is Maryland's largest employer and is the third-largest workforce of any Army installation in the U.S. In response to the military's Base Realignment and Closure plan, construction of new facilities has now been completed for Defense Adjudication Activities, the Defense Information Systems Agency and the Defense Media Activity.

The **Legal Assistance Division** provides free legal services to Active-Duty service-members, retirees and spouses in a wide variety of areas including tax assistance, domestic relations, estate planning, consumer law, military administrative appeals and the like.

Mr. Seltzer served for more than four years on Active Duty at the Third Infantry Division (Mechanized) and the U.S. Army Legal Services Agency's Environmental Law Division of the Headquarters, Department of the Army and has served as a Legal Assistance Attorney since 2008 at Fort Meade and Fort Belvoir, Virginia, and has served as a Supervisory Attorney since 2018. Mr. Seltzer is licensed to practice law in Maryland, Washington, D.C., Georgia and New York. He is an active member of the Maryland State Bar Association's Veteran's Affairs and Military Law Committee, is a graduate of the George Washington University (1993) and the University of Maryland School of Law (1999) and is a native of Silver Spring.

GRAVES SB10902258220200122104832

Uploaded by: Graves, Melvin

Position: FAV

STATEMENT OF SUPPORT
FOR SENATE BILL 109

By Melvin F. Graves Before the Senate Budget & Taxation Committee, January 15, 2020

Good afternoon Senator Mazzone, Chairman Mazzone, Vice Chair Senator Rosapepe, and distinguished members of the Senate Budget and Taxation Committee. I am Melvin F. Graves, representing The American Legion Department of Maryland and am here before you today to fully support Senate Bill 109.

You have our statement of support for this measure so in the interests of time I will refer to the highlights of our endorsement.

Homes owned by 100 percent disabled veterans and those of their surviving spouses are exempt from taxation from state, county or municipalities. Senate Bill 109 closes any loopholes which might or have been brought by a governmental entity. For those who have already been billed for such taxes, it creates a sensible reimbursement plan for a five-year period.

The American Legion fervently believes we must honor the services of those who have given greatly in the defense of our country and, as importantly, the law.

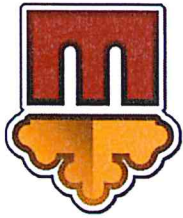
Senate Bill 109 strengthens existing statutes and allows our veterans who have given much in the defense of the nation and permits them to enjoy the greater benefits of financial security.

We wish to thank Senator Ellis for his compassion to our veteran community and, in closing, we ask you to render a favorable report to Senate Bill 109. Thank you.

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Uploaded by: Kinnally, Kevin

Position: UNF



Senate Bill 109

Disabled Active Duty Service Members, Disabled Veterans, and Surviving Spouses - Exemption From Property Tax and Other Charges and Refunds

MACo Position: **OPPOSE**

To: Budget and Taxation Committee

Date: January 22, 2020

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **OPPOSES** SB 109. This bill creates a very broad and retroactive tax benefit for a potentially wide swath of residents, where more targeted legislation has previously been used to provide reasonable allowances. SB 109 also betrays the concept of user fees and charges, connecting public services with the users and development that necessitate them.

SB 109 exempts the principal residence of a qualified disabled active duty service member, qualified disabled veteran, or qualified surviving spouse from all state, county, and municipal taxes, fees, and other charges. In addition, it requires the State, counties, and municipalities to retroactively refund property tax payments made by these individuals for certain years in which an exemption was authorized but not granted.

MACo is concerned with the carryover county fiscal effects of this legislation and would prefer approaches that provide local autonomy to determine the best way to provide these incentives, rather than those that mandate reductions in local revenue sources.

Generally, state law exempts certain types of real property from property taxation, such as government-owned, charitable, benevolent, educational, religious, veterans' organizations, fire companies, historical societies, and museums. Under current law, the principal residences of qualified active duty service members, qualified disabled veterans, and qualified surviving spouses are exempt from state and local property taxes.

While those properties are exempt from *ad valorem* taxes, they are generally subject to fees and charges which fund critical programs and projects, including the Bay Restoration Fund, public safety priorities, and capital facilities necessary to accommodate development impacts on public schools and libraries. By exempting certain properties from all governmental charges, SB 109 would undermine vital resources for needed community services and critical infrastructure projects.

SB 109 would infringe on local decision-making and preclude local input by requiring counties to grant a refund to disabled active duty service members, disabled veterans, and surviving spouses for certain years in which a property tax exemption was authorized but not granted. Current law properly leaves the decision for granting these refunds in the hands of the county governments, who are best situated to determine whether such a policy is in their best interest.

For these reasons, MACo urges the Committee to issue an **UNFAVORABLE** report on SB 109.