

Maryland Military Coalition SB0006 Written Testimo

Uploaded by: DAVID Dragics

Position: FAV



MARYLAND MILITARY COALITION

Serving Veterans through Legislative Advocacy

January 18, 2024

The Honorable Guy Gozzone
Chair, Budget and Taxation Committee
3 West
Maryland Senate Office Building
Annapolis, MD 21401

Subject: **Request for FAVORABLE Report** – SB0006 – Property Tax – Credit for Dwelling House of Disabled Veterans – Alterations

Dear Chair Guzzone and distinguished members of the Budget and Taxation Committee:

On behalf of the members of the Maryland Military Coalition (MMC) and as its Legislative Director, I write to recommend a **FAVORABLE report** by the Committee on **SB 0006 – Property Tax – Credit for Dwelling House of Disabled Veterans – Alteration**, sponsored by Senator Dawn Gile. The primary purpose of this bill would be to amend Article – Tax – Property, Section 9-265 of the Annotated Code of Maryland to include veterans who have a nonpermanent service-connected disability of 100% that resulted from blindness or any other disabling cause that was not caused or incurred by the misconduct of the veteran. The disabled veteran would be eligible for a 50% property tax credit in those Maryland jurisdictions where the above section of the code has been granted.

This bill will align the Annotated Code of Maryland with the Temporary Total Disability Ratings of the US Department of Veterans Affairs. As pointed out on the Benefits.com website, “Though many veterans ultimately recover over time, VA temporary total disability ratings allow them to compensate for the income they are unable to earn through a substantially gainful occupation. This disability compensation entails their being rated at 100 percent disabled, but only for a limited period of time.”¹ The adoption of this bill will create an added benefit for those veterans in this category. It will serve to mitigate financial pressure upon them regarding their mortgage payments, which include a property tax component.

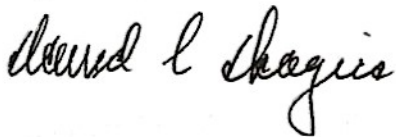
The Maryland Military Coalition **strongly supports** SB0006 and asks for a **FAVORABLE** report from the Budget and Taxation Committee. This bill builds on the Moore Administration’s Year of the Military Families, providing another benefit that assists and helps the veterans and their families who have bravely served, fought, and sacrificed for our state and country.

¹ <https://benefits.com/veterans-disability/temporary-total-disability-ratings/>

The Maryland Military Coalition is a registered non-profit, non-partisan advocacy organization comprised of 21 prominent Maryland-based veteran and military groups, representing over 150,000 service-connected individuals, including those currently serving, veterans, retirees and their families, caregivers, and survivors.

We want to thank Senator Dawn Gile for sponsoring this legislation and her continued strong support of the veterans community in Maryland.

Respectfully,

A handwritten signature in black ink that reads "David L. Dragics". The signature is written in a cursive style with a large, prominent initial "D".

David L. Dragics
COL USA (Ret)
Legislative Director

Member Organizations, Maryland Military Coalition

James P. Monahan
Air Force Sergeants Association

Stan P. May
American Military Society

Elwood R. Raphael Gray
American Minority Veterans Research Project

W. A. Ab
Association of the United States Navy

Lyman A. Gask
Commissioned Officers Association of the
US Public Health Service

Wilbur B. Fisher
Disabled American Veterans

Seldon H. Freedy
Distinguished Flying Cross Association

Phyllis J. Collins
Fleet Reserve Association

Seldon H. Freedy
Jewish War Veterans of the USA

Steve L. Blocker
Maryland Air National Guard Retirees'
Association

Emmett R. Robert
Maryland Veterans Chamber of Commerce

Robert J. Winton
Military Officers Association of America

Charles E. Spitzer
Military Order of the Purple Heart

E. J.
Montford Point Marines of America

M. L. Messer
National Association for Black Veterans

Michael P. Hays
Naval Enlisted Reserve Association

Christian Andreasen
NOAA Association of Commissioned Officers

John S. J.
Reserve Organization of America

Catherine L. McEraw
Society of Military Widows

E. J.
National Active and Retired Federal Employees
Veterans Affairs Directorate, NARFE MD

M. Blackwell
Veterans of Foreign Wars

SB006.pdf

Uploaded by: Derrick Whiting

Position: FAV



TESTIMONY IN SUPPORT OF SB006
Property Tax – Exemption for Dwellings of
Disabled Veterans – Alterations
Budget & Taxation Committee
January 16, 2024

Position: Favorable

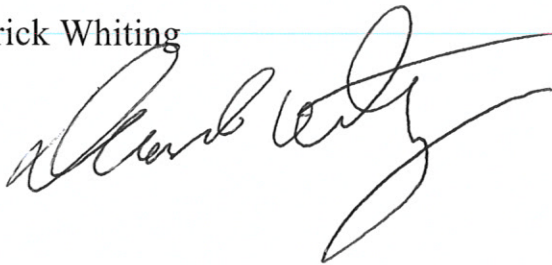
Dear Chair Guzzone, Vice-Chair Rosapepe, and Members of the Committee,

I am writing to express my strong support for Senate Bill 6, which proposes alterations to the property tax credit for disabled veterans. As a disabled veteran who has served in Operation Enduring Freedom, I believe that these changes are crucial for the well-being of veterans across Maryland. Senate Bill 6 takes a significant step in recognizing the diverse nature of disabilities faced by veterans, including those with nonpermanent service-connected disabilities. This acknowledgment is a positive move towards inclusivity and understanding the

As a resident of Baltimore City, I believe that Senate Bill 6 aligns with Maryland's commitment to honoring and supporting its veteran population. I urge the committee to consider the positive impact of Senate Bill 6 on the lives of disabled veterans in Maryland. Your support for this bill is a vital step in recognizing and honoring the service and sacrifices of our veterans. For these reasons, I am requesting a favorable report.

With kindest regards,

Derrick Whiting

A handwritten signature in black ink, appearing to read "Derrick Whiting", written in a cursive style. The signature is positioned below the printed name and extends to the right, crossing the horizontal line.

MD Catholic Conference_SB 6_FAV.pdf

Uploaded by: Garrett O'Day

Position: FAV



MARYLAND
CATHOLIC
CONFERENCE

January 18, 2024

SB 6

Property Tax - Credit for Dwelling House of Disabled Veterans – Alterations

Senate Budget & Taxation Committee

Position: Support

The Maryland Catholic Conference offers this testimony in support of Senate Bill 6. The Catholic Conference is the public policy representative of the three (arch)dioceses serving Maryland, which together encompass over one million Marylanders. Statewide, their parishes, schools, hospitals and numerous charities combine to form our state’s second largest social service provider network, behind only our state government.

Senate Bill 6 expands eligibility for a property tax credit for disabled veterans on their primary residences to those who have been declared by the U.S. Department of Veterans Affairs to have a 100% nonpermanent service-connected disability resulting from blindness or any other disabling cause.

In its *Pastoral Statement on Persons with Disabilities*, the United States Conference of Catholic Bishops stated “Defense of the right to life, then, implies the defense of other rights that enable the disabled individual to achieve the fullest measure of personal development of which he or she is capable. These include the right to equal opportunity in education, in employment, in housing, as well as the right to free access to public accommodations, facilities, and services.”

The Catholic Church in Maryland, through its parishes, charities, hospitals and other ministries, routinely serves those struggling with physical or mental disabilities and recognizes that veterans experiencing a service-related disability can be among the most marginalized and underserved in our society. With the dramatic rise in the cost of housing in Maryland and nationwide, as well as a shortage of availability, Senate Bill 6 seeks to further the great work of this legislative body in providing primary dwelling unit property tax relief. In doing so, this bill recognizes the human dignity of disabled veterans in enabling them to further afford a home.

The Conference appreciates your consideration and, for these reasons, respectfully requests a favorable report on Senate Bill 6.

sb6 Disabled Vets property tax deduction.pdf

Uploaded by: PRISCILLA KANIA

Position: FAV



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SB 6 Property Tax Credit for Dwelling of Disabled Veterans - Alterations
Senate Budget and Taxation Committee
SUPPORT
January 18, 2024

Good Afternoon Chair Guzzone and Members of the Budget and Taxation Committee. I am Priscilla Kania, lead volunteer advocate and resident of Annapolis, Maryland. AARP Maryland is one of the largest membership-based organizations in the state, encompassing over 850,000 members. **AARP MD overwhelmingly supports SB 6 - Property Tax Credit for Disabled Veterans – Alterations.** We thank Senators Gile, Beidle, Carozza, Klausmeier, Simonaire and Smith for sponsoring this bill.

AARP is a nonpartisan, nonprofit, nationwide organization that helps people turn their goals and dreams into real possibilities, strengthens communities and fights for the issues that matter most to families such as housing, healthcare, employment and income security, retirement planning, affordable utilities, and protection from financial abuse.

Senate Bill 6 alters the current bill to include veterans who have been declared by the U.S. Department of Veterans Affairs to have a nonpermanent service-connected disability of 100% that was not caused or incurred by misconduct of the veteran. Such a Veteran is far less likely to be able to gain and maintain employment and is far more likely to require the assistance of a caregiver. Since the caregiver is often the Veteran's spouse, the spouse is also disadvantaged in maintaining meaningful employment. The cumulative effect exacerbates the challenge of owning and remaining in a home.

AARP believes we must honor the service and acknowledge the sacrifice of our disabled Veterans. Altering Senate Bill 6 does so by providing greater economic viability for a disabled Veteran who is 100% disabled with a disability that is not permanent and the Veteran's caregiver by ensuring their ability to afford and remain in their home.

For these reasons, we respectfully request a favorable report for Senate Bill 6. For questions or additional information, please feel free to contact Tammy Bresnahan, Associate State Director of Advocacy at tbresnahan@aarp.org or by calling 410-302-8451.

AARP
Real Possibilities

DG Written Testimony_SB0006.pdf

Uploaded by: Senator Gile

Position: FAV



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB0006 - Property Tax - Credit for Dwelling House of Disabled Veterans - Alterations

Mr. Chair, Mr. Vice Chair, and Members of the Senate Budget and Taxation Committee:

SB0006 closes a loophole in Maryland tax law that unintentionally prevents veterans in our state from receiving the property tax credit that they are owed and that the Maryland General Assembly intended for them to receive. Under current law, veterans who have been classified as 100%—but not permanently—disabled receive no property tax credit benefit whatsoever. That clearly is not the original intent of the MGA. This bill seeks to rectify that.

Background

VA Disability Ratings

A short primer on VA disability ratings may be helpful. VA disability ratings are part of the United States Department of Veterans Affairs (VA) system to compensate veterans for service-connected disabilities. Service-connected disabilities are injuries or illnesses that occurred or were aggravated during military service. Disability ratings are assigned a rating from 0% to 100%. The rating reflects the severity of the disability, with 0% indicating a minor disability and 100% indicating total disability. If a veteran has multiple disabilities, the VA uses a formula to combine them into a single disability rating. It's not a simple addition; the combined rating is less than the sum of individual ratings.

The VA also assigns each disability a permanency status. Some disabilities may be subject to periodic reevaluation to assess if there have been changes in their severity, and consequently, a veteran may have a 90% non-permanent disability rating. The purpose of these reevaluations is to determine if the disability still exists, if it has improved, or if it has worsened. Based on the assessment, the VA may adjust the disability rating accordingly. Even if a disability is initially considered non-permanent, it can later be classified as permanent if it is determined that the condition is unlikely to improve substantially.

A permanent disability is a condition that is not expected to improve significantly over time. Veterans with permanent disabilities may not be subject to regular reevaluations, or the reevaluations may occur less frequently. The designation of "permanent" doesn't necessarily

mean that the condition can never improve, but rather that improvement is not anticipated based on current medical understanding.

Existing Law

Under § 9–265 of the Property Tax Article, Maryland law provides counties and Baltimore City the option to credit a proportion of a household’s property tax bill based on the homeowner’s status as a disabled veteran. Veterans who have been declared by the U.S. Department of Veterans Affairs to have a service-connected disability rating of at least 75% but not more than 99% are entitled to a credit of 50% of their county or municipal property tax bill. Similarly, veterans with a service-connected disability rating of at least 50% but not more than 74% are entitled to a credit of 25%. There is no requirement for the disability rating to be permanent under § 9–265.

Separately, under § 7–208 of the same Article, veterans who have been declared by the U.S. Department of Veterans Affairs to have a permanent 100% service-connected disability are entitled to a full property tax exemption.

In the rare case where the U.S. Department of Veterans Affairs classifies a veteran as having a 100%—but not permanent—service-connected disability, current Maryland law does not provide for any property tax relief whatsoever.

Solution

SB0006 would:

- Provide a 50% property tax credit to veterans who are 100%—but not permanently—disabled. If a veteran’s disability status changed to permanent, they would be entitled to a full property tax exemption.
- Continue to allow counties and Baltimore City to monitor the disability status for veterans who are not permanently 100% disabled.

Per the Fiscal Note, SB0006 would not have a state fiscal impact. The impact on local revenue would be limited as the population affected by this bill is small.

As the spouse of a service-disabled veteran, this matter has personal significance to me. I am also grateful for one of my constituents for bringing this issue to my attention. For these reasons, I respectfully request a favorable report on SB0006.

SB0006-BT_MACo_SWA.pdf

Uploaded by: Kevin Kinnally

Position: FWA



Senate Bill 6

Property Tax - Credit for Dwelling House of Disabled Veterans - Alterations

MACo Position: **SUPPORT**

To: Budget and Taxation Committee

WITH AMENDMENTS

Date: January 18, 2024

From: Kevin Kinnally

The Maryland Association of Counties (MACo) **SUPPORTS SB 6 WITH AMENDMENTS**. MACo contends that any state legislation to expand eligibility for existing local-option tax credits, like this bill, should be subject to the discretion of the local governing body.

As introduced, SB 6 expands eligibility for a property tax credit many local jurisdictions have already adopted. Without clarifying language that this expansion is itself subject to a local option, expanding the breadth of the existing credit may result in a more considerable fiscal loss than counties anticipated when originally enacting the credit.

In general, MACo stands for local self-determination. Counties, led by their elected leaders who are directly accountable within the community, are in the best position to make decisions on local affairs – ranging from land use to budget priorities.

Local-option property tax credits allow counties to enact credits tailored to their specific community needs. Additionally, they give each jurisdiction broad discretion to determine how much revenue it is willing to forego to provide the desirable benefits an optional credit enables.

Counties welcome the opportunity to work with state policymakers to develop flexible and optional tools to implement comprehensive or targeted tax incentives but resist state-mandated changes that preclude local input.

Accordingly, MACo urges the Committee to issue SB 6 a report of **FAVORABLE, WITH AMENDMENTS**, to grant counties proper flexibility to determine whether expanding an existing local-option property tax credit is in their best interest.