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By: **Delegates Bohanan, Owings, Hixson, Conroy, and O'Donnell**  
Introduced and read first time: February 9, 2001  
Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Surviving Spouse of Active Military Who Died in Line of Duty**

3 FOR the purpose of providing an exemption from property tax under certain  
4 circumstances for a dwelling house owned by a surviving spouse of a veteran  
5 who died in line of duty; defining a certain term; repealing certain authority for  
6 a county or municipal corporation to grant a certain property tax credit for a  
7 dwelling owned by a surviving spouse of a veteran who died in line of duty;  
8 providing for the application of this Act; making technical changes; and  
9 generally relating to an exemption from property tax under certain  
10 circumstances for a dwelling house owned by a surviving spouse of a veteran  
11 who died in line of duty.

12 BY repealing and reenacting, with amendments,  
13 Article - Tax - Property  
14 Section 7-208  
15 Annotated Code of Maryland  
16 (1994 Replacement Volume and 2000 Supplement)

17 BY repealing  
18 Article - Tax - Property  
19 Section 9-218  
20 Annotated Code of Maryland  
21 (1994 Replacement Volume and 2000 Supplement)

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

24 **Article - Tax - Property**

25 7-208.

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

27 (2) "Disabled veteran" means an individual who:

1 (i) is honorably discharged or released under honorable  
2 circumstances from active service in any branch of the armed forces; and

3 (ii) has been declared by the Veterans' Administration to have a  
4 permanent 100% service connected disability that results from blindness or other  
5 disabling cause that:

6 1. is reasonably certain to continue for the life of the veteran;  
7 and

8 2. was not caused or incurred by misconduct of the veteran.

9 (3) "Dwelling house":

10 (i) means real property that is:

11 1. the legal residence of a disabled veteran or a surviving  
12 spouse; and

13 2. occupied by not more than 2 families; and

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

16 (4) "Surviving spouse" means [the] A surviving spouse, WHO HAS NOT  
17 REMARRIED, of:

18 (I) a disabled veteran [if the surviving spouse has not remarried];  
19 OR

20 (II) A VETERAN WHO DIED IN LINE OF DUTY.

21 (5) "VETERAN WHO DIED IN LINE OF DUTY" MEANS A VETERAN WHO  
22 DIED WHILE IN THE ACTIVE MILITARY, NAVAL, OR AIR SERVICE OF THE UNITED  
23 STATES AS A RESULT OF AN INJURY OR DISEASE THAT IS DEEMED UNDER 38 U.S.C. §  
24 105 TO HAVE BEEN INCURRED IN LINE OF DUTY.

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

27 (1) the dwelling house is owned by:

28 (i) a disabled veteran;

29 (II) A SURVIVING SPOUSE OF A VETERAN WHO DIED IN LINE OF  
30 DUTY, IF:

31 1. THE DWELLING HOUSE WAS OWNED BY THE VETERAN AT  
32 THE VETERAN'S DEATH;

1                                   2.       THE DWELLING HOUSE WAS ACQUIRED BY THE  
2 SURVIVING SPOUSE WITHIN 2 YEARS OF THE VETERAN'S DEATH, IF THE VETERAN OR  
3 THE SURVIVING SPOUSE WAS DOMICILED IN THE STATE AS OF THE DATE OF THE  
4 VETERAN'S DEATH; OR

5                                   3.       THE DWELLING HOUSE WAS ACQUIRED AFTER THE  
6 SURVIVING SPOUSE QUALIFIED FOR EXEMPTION FOR A FORMER DWELLING HOUSE  
7 UNDER ITEM 1 OR 2 OF THIS ITEM, TO THE EXTENT OF THE PREVIOUS EXEMPTION; or

8                                   [(ii)]     (III)     a surviving spouse OF A DISABLED VETERAN who meets  
9 the requirements of subsection (c) of this section; and

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (i) a copy of the disabled veteran's discharge certificate from active  
2 service in the armed forces; and

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

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

7 (i) the disabled veteran; or

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

10 (3) A SURVIVING SPOUSE OF A VETERAN WHO DIED IN LINE OF DUTY  
11 SHALL APPLY FOR AN EXEMPTION UNDER THIS SECTION BY PROVIDING TO THE  
12 SUPERVISOR CERTIFICATION THAT THE VETERAN DIED WHILE IN ACTIVE SERVICE  
13 AS A RESULT OF AN INJURY OR DISEASE INCURRED IN LINE OF DUTY.

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

17 (2) An individual may receive an exemption under this section or under  
18 § 7-207 of this subtitle but not under both.

19 (f) An exemption under this section is prorated by the supervisor for any part  
20 of a taxable year that remains after the date in the year when the disabled veteran or  
21 the surviving spouse applies for the exemption.

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

26 (i) to a disabled veteran or a surviving spouse for any county  
27 property tax paid; or

28 (ii) to a disabled veteran for any municipal corporation property tax  
29 paid.

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

35 (h) (1) For the purposes of subsections (f) and (g) of this section, a county or  
36 municipal corporation shall pay to a disabled veteran or surviving spouse interest on  
37 the amount of a refund if:

- 1 (i) the governing body has authorized the refund;
- 2 (ii) the disabled veteran or surviving spouse is eligible and has  
3 applied for the refund; and
- 4 (iii) the county or municipal corporation fails to make the refund  
5 within 60 days after the eligible disabled veteran or surviving spouse has applied for  
6 the refund.

7 (2) If interest is payable under this subsection:

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

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

12 (i) Each county shall include information on the property tax bill about the  
13 availability of the property tax exemption for disabled veterans AND SURVIVING  
14 SPOUSES authorized under this section.

15 [9-218.

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

17 (2) (i) "Dwelling" means real property that is:

- 18 1. the legal residence of a surviving spouse; and
- 19 2. occupied by not more than 2 families.

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

22 (3) "Surviving spouse" means the surviving spouse of a veteran who has  
23 not remarried since the death of the veteran.

24 (4) "Veteran" means a veteran who died while in the active military,  
25 naval, or air service of the United States as a result of an injury or disease that is  
26 deemed under 38 U.S.C. § 105 to have been incurred in line of duty.

27 (b) The Mayor and City Council of Baltimore City or the governing body of a  
28 county or of a municipal corporation may grant, by law, a property tax credit against  
29 the county or municipal corporation property tax imposed on a dwelling that is owned  
30 by a surviving spouse of a veteran if:

31 (1) the dwelling was owned by the veteran at the veteran's death;

32 (2) the dwelling was acquired by the surviving spouse within 2 years of  
33 the veteran's death, if the veteran or the surviving spouse was domiciled in the State  
34 as of the date of the veteran's death; or

1           (3)       the dwelling was acquired after the surviving spouse qualified for a  
2 credit for a former dwelling under item (1) or (2) of this subsection, to the extent of the  
3 previous credit.

4       (c)       A county or municipal corporation may provide, by law:

5           (1)       that the amount of a property tax credit under this section shall  
6 equal the amount of an exemption under § 7-208 of this article for surviving spouses  
7 of disabled veterans;

8           (2)       that the surviving spouse provide certification that the veteran died  
9 while in active service as a result of an injury or disease incurred in line of duty; and

10          (3)       for any other provision necessary to carry out this section.]

11       SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
12 July 1, 2001, and shall be applicable to all taxable years beginning on or after July 1,  
13 2002.