
By: **Delegates Boschert and Love**
 Introduced and read first time: January 13, 2006
 Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax - Exemption - Surviving Spouse of a Veteran**

3 FOR the purpose of exempting a dwelling house from the property tax under certain
 4 circumstances if the dwelling house is owned by a surviving spouse of a veteran
 5 who receives Dependency and Indemnity Compensation from the United States
 6 Department of Veterans Affairs; altering certain definitions for purposes of a
 7 certain property tax exemption; providing a certain period for certain surviving
 8 spouses to apply for a certain exception; providing for the application of this Act;
 9 and generally relating to a property tax exemption for the surviving spouse of a
 10 veteran.

11 BY repealing and reenacting, with amendments,
 12 Article - Tax - Property
 13 Section 7-208
 14 Annotated Code of Maryland
 15 (2001 Replacement Volume and 2005 Supplement)

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

18 **Article - Tax - Property**

19 7-208.

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

21 (2) (I) "Disabled veteran" means an individual who:

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

24 [(ii)] 2. has been declared by the Veterans' Administration to have
 25 a permanent 100% service connected disability that results from blindness or other
 26 disabling cause that:

1 [1.] A. is reasonably certain to continue for the life of the
2 veteran; and

3 [2.] B. was not caused or incurred by misconduct of the
4 veteran.

5 (II) "DISABLED VETERAN" INCLUDES AN INDIVIDUAL WHO
6 QUALIFIES POSTHUMOUSLY FOR 100% SERVICE CONNECTED DISABILITY.

7 (3) "Dwelling house":

8 (i) means real property that is:

9 1. the legal residence of a disabled veteran or a surviving
10 spouse; and

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

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

14 (4) "Surviving spouse" means a surviving spouse, who has not
15 [remarried, of] REMARRIED:

16 (i) OF a disabled veteran; [or]

17 (ii) OF an individual who died in line of duty; OR

18 (III) WHO RECEIVES DEPENDENCY AND INDEMNITY
19 COMPENSATION FROM THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS.

20 (5) "Individual who died in line of duty" means an individual who died
21 while in the active military, naval, or air service of the United States as a result of an
22 injury or disease that is deemed under 38 U.S.C. § 105 to have been incurred in line
23 of duty.

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

26 (1) the dwelling house is owned by:

27 (i) a disabled veteran;

28 (ii) a surviving spouse of an individual who died in line of duty, if:

29 1. the dwelling house was owned by the individual at the
30 time of the individual's death;

31 2. the dwelling house was acquired by the surviving spouse
32 within 2 years of the individual's death, if the individual or the surviving spouse was
33 domiciled in the State as of the date of the individual's death; or

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

3 (i) the disabled veteran; or

4 (ii) appropriate employees of the State, a county, or a municipal
5 corporation.

6 (3) A surviving spouse of an individual who died in line of duty shall
7 apply for an exemption under this section by providing to the supervisor certification
8 that the individual died while in active service as a result of an injury or disease
9 incurred in line of duty.

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

13 (2) An individual may receive an exemption under this section or under
14 § 7-207 of this subtitle but not under both.

15 (f) (1) An exemption under this section is prorated by the supervisor for any
16 part of a taxable year that remains after the date in the year when the disabled
17 veteran or the surviving spouse applies for the exemption.

18 (2) Notwithstanding any other provision of this article, if a dwelling is
19 transferred to a disabled veteran or a surviving spouse who qualifies for an exemption
20 under this section, the exemption applies and the property tax is abated from the date
21 of settlement for the purchase of the property, if the transferee applies for the
22 exemption within 30 days after the settlement for the purchase of the property.

23 (3) The Department shall adopt regulations to administer the provisions
24 of paragraph (2) of this subsection.

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

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

31 (ii) to a disabled veteran for any municipal corporation property tax
32 paid.

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

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

4 (i) the governing body has authorized the refund;

5 (ii) the disabled veteran or surviving spouse is eligible and has
6 applied for the refund; and

7 (iii) the county or municipal corporation fails to make the refund
8 within 60 days after the eligible disabled veteran or surviving spouse has applied for
9 the refund.

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

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

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

15 (i) Each county shall include information on the property tax bill about the
16 availability of the property tax exemption for disabled veterans and surviving spouses
17 authorized under this section.

18 SECTION 2. AND BE IT FURTHER ENACTED, That a surviving spouse who
19 qualifies for the property tax exemption under this Act based on the receipt of
20 Dependency and Indemnity Compensation as of June 1, 2006, has 3 years from the
21 effective date of this Act to apply for the exemption.

22 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 June 1, 2006, and shall be applicable to all taxable years beginning after June 30,
24 2006.