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House action: Adopted

Read second time: February 28, 2006

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CHAPTER \_\_\_\_\_

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~~ exemption; providing for the application  
9 of this Act; and generally relating to a property tax exemption for the surviving  
10 spouse of a 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.

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

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

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

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

9 [2.] B. was not caused or incurred by misconduct of the  
10 veteran.

11 (II) "DISABLED VETERAN" INCLUDES AN INDIVIDUAL WHO  
12 QUALIFIES POSTHUMOUSLY FOR A 100% SERVICE CONNECTED DISABILITY.

13 (3) "Dwelling house":

14 (i) means real property that is:

15 1. the legal residence of a disabled veteran or a surviving  
16 spouse; and

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

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

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

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

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

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

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

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

32 (1) the dwelling house is owned by:

33 (i) a disabled veteran;

- 1 (ii) a surviving spouse of an individual who died in line of duty, if:
- 2 1. the dwelling house was owned by the individual at the  
3 time of the individual's death;
- 4 2. the dwelling house was acquired by the surviving spouse  
5 within 2 years of the individual's death, if the individual or the surviving spouse was  
6 domiciled in the State as of the date of the individual's death; or
- 7 3. the dwelling house was acquired after the surviving  
8 spouse qualified for exemption for a former dwelling house under item 1 or 2 of this  
9 item, to the extent of the previous exemption; or
- 10 (iii) a surviving spouse of a disabled veteran who meets the  
11 requirements of subsection (c) of this section; and
- 12 (2) the application requirements of subsection (d) of this section are met.
- 13 (c) Except as provided in subsections (d) and (e) of this section, after a  
14 disabled veteran dies, the surviving spouse of the disabled veteran shall receive a  
15 disabled veteran's property tax exemption:
- 16 (1) for the dwelling house that was formerly owned by the disabled  
17 veteran:
- 18 (i) if the dwelling house received an exemption under this section;  
19 and
- 20 (ii) if the surviving spouse owns and resides in the dwelling house;
- 21 (2) for the dwelling house that was formerly occupied by the disabled  
22 veteran:
- 23 (i) if the dwelling house did not receive an exemption under this  
24 section;
- 25 (ii) if the disabled veteran was domiciled in the State at death; and
- 26 (iii) if the surviving spouse owns and resides in the dwelling house;  
27 and
- 28 (3) for a dwelling house subsequently acquired by the surviving spouse,  
29 equal to the exemption for the former dwelling house when the dwelling house owned  
30 by the surviving spouse was transferred by the surviving spouse:
- 31 (i) if the surviving spouse owns and resides in the subsequently  
32 acquired dwelling house; and
- 33 (ii) if the surviving spouse has qualified under item (1) or (2) of this  
34 subsection.

1 (d) (1) A disabled veteran or a surviving spouse of a disabled veteran shall  
2 apply for an exemption under this section by providing to the supervisor:

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

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

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

9 (i) the disabled veteran; or

10 (ii) appropriate employees of the State, a county, or a municipal  
11 corporation.

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

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

19 (2) An individual may receive an exemption under this section or under  
20 § 7-207 of this subtitle but not under both.

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

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

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

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

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

1 (ii) to a disabled veteran for any municipal corporation property tax  
2 paid.

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

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

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

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

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

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

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

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

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

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

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 June 1, 2006, and shall be applicable to all taxable years beginning after June 30,  
31 2006.

