

Chapter 387

(Senate Bill 425)

AN ACT concerning

Maryland Income Tax Refunds – Warrant Intercept Program – Statewide

FOR the purpose of authorizing certain counties to participate, for a certain period of time, in a certain income tax refund withholding program related to individuals with outstanding warrants if the sheriff of the county notifies the Comptroller of the county's intention to participate on or before a certain date; repealing ~~certain provisions of law that prohibit~~ a certain provision of law that prohibits the program from applying to certain ~~individuals~~ members of the armed forces of the United States; requiring the Governor's Office of Crime Control and Prevention to conduct a certain annual study and to provide a certain annual report; making nonsubstantive changes to certain termination provisions; making conforming changes; providing for the effective dates of this Act; providing for the termination of this Act; and generally relating to withholding income tax refunds of individuals with outstanding warrants.

BY repealing and reenacting, without amendments,
 Article – Tax – General
 Section 13–935 and 13–937 through 13–940
 Annotated Code of Maryland
 (2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Article – Tax – General
 Section 13–936
 Annotated Code of Maryland
 (2010 Replacement Volume and 2015 Supplement)

BY adding to
Article – Tax – General
Section 13–941
Annotated Code of Maryland
(2010 Replacement Volume and 2015 Supplement)

BY repealing and reenacting, with amendments,
 Chapter 451 of the Acts of the General Assembly of 2012, as amended by Chapter
 213 of the Acts of the General Assembly of 2013
 Section 3

BY repealing and reenacting, with amendments,
 Chapter 213 of the Acts of the General Assembly of 2013
 Section 3

BY repealing and reenacting, with amendments,

Article – Tax – General

Section ~~13-936(a)~~ 13-936

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)

(As enacted by Section 1 of this Act)

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

Article – Tax – General

13-935.

(a) In this part the following words have the meanings indicated.

(b) “Refund” means an individual’s Maryland income tax refund.

(c) (1) “Warrant” means a criminal arrest warrant.

(2) “Warrant” includes a warrant issued for or that results from:

(i) a failure to appear before a court of the State;

(ii) a violation of the Maryland Vehicle Law that is punishable by a term of confinement; or

(iii) a violation of probation.

(3) “Warrant” does not include a body attachment.

(d) “Warrant official” means an official of the federal, State, or local government charged with serving a warrant.

13-936.

(a) **(1)** (a) This part applies only to individuals who:

[(1)] ~~(1)~~ are residents of Anne Arundel County, Baltimore City, [or] Washington County, **OR A COUNTY THAT PARTICIPATES IN THE PROGRAM UNDER THIS PART**; or

[(2)] ~~(2)~~ **(2)** have an outstanding warrant from Anne Arundel County, Baltimore City, [or] Washington County, **OR A COUNTY THAT PARTICIPATES IN THE PROGRAM UNDER THIS PART**.

~~(2)~~ **(B)** A COUNTY MAY PARTICIPATE IN THE PROGRAM UNDER THIS PART IF THE SHERIFF OF THE COUNTY NOTIFIES THE COMPTROLLER OF THE COUNTY'S INTENTION TO PARTICIPATE ON OR BEFORE DECEMBER 31 OF THE FIRST TAXABLE YEAR FOR WHICH THE COUNTY INTENDS TO PARTICIPATE.

~~(3)~~ **(C)** A COUNTY'S PARTICIPATION IN THE PROGRAM UNDER THIS PART CONTINUES UNTIL THE SHERIFF OF THE COUNTY NOTIFIES THE COMPTROLLER OF THE COUNTY'S INTENTION NOT TO PARTICIPATE IN THE PROGRAM.

(b) This part does not apply to an individual:

~~(1)~~ ~~who is an active duty member of the armed forces of the United States;~~
or

~~(2)~~ who files a joint Maryland income tax return.

13-937.

A warrant official may:

(1) certify to the Comptroller the existence of an outstanding warrant for an individual who is a resident of Maryland or who receives income from Maryland; and

(2) request the Comptroller to withhold any refund to which the individual is entitled.

13-938.

(a) A certification by a warrant official to the Comptroller shall include:

(1) the full name and address of the individual and any other names known to be used by the individual;

(2) the Social Security number or federal tax identification number; and

(3) a statement that the warrant is outstanding.

(b) The Comptroller shall determine if an individual for whom a certification is received is due a refund.

(c) As to any individual due a refund for whom a certification is received, the Comptroller shall:

(1) withhold the individual's refund; and

(2) notify the individual of a certification by the warrant official of the existence of an outstanding warrant.

(d) The Comptroller may not pay a refund until the warrant official notifies the Comptroller that the warrant is no longer outstanding.

13-939.

The Comptroller shall withhold and pay any amount as provided in § 13-918 of this subtitle before withholding any part of an income tax refund under § 13-938 of this part.

13-940.

On or before December 1 of each year, the Office of the Comptroller shall report to the House Ways and Means Committee and the Senate Budget and Taxation Committee, in accordance with § 2-1246 of the State Government Article, on the implementation of §§ 13-935 through 13-939 of this part.

13-941.

(A) THE GOVERNOR'S OFFICE OF CRIME CONTROL AND PREVENTION, IN CONSULTATION WITH THE COMPTROLLER, SHALL:

(1) STUDY:

(I) THE TOTAL NUMBER OF TAX REFUNDS WITHHELD BY THE COMPTROLLER UNDER TITLE 13, SUBTITLE 9, PART VII OF THE TAX – GENERAL ARTICLE;

(II) THE AVERAGE AMOUNT OF THE TAX REFUNDS WITHHELD BY THE COMPTROLLER;

(III) THE POTENTIAL DIFFERENCES IN THE SERVICE OF WARRANTS OR REQUESTS BY WARRANT OFFICIALS TO THE COMPTROLLER TO WITHHOLD TAX REFUNDS UNDER THE PROGRAM BASED ON RACE;

(IV) THE TYPES OF WARRANTS AND SPECIFIC CHARGES THAT PROMPTED THE REQUESTS BY WARRANT OFFICIALS TO THE COMPTROLLER TO WITHHOLD REFUNDS, INCLUDING WARRANTS RELATED TO CRIMINAL VIOLATIONS, CIVIL MATTERS, MOTOR VEHICLE VIOLATIONS, AND FAILURES TO APPEAR;

(V) THE EFFECTIVENESS OF WITHHOLDING REFUNDS ON RESOLVING OUTSTANDING WARRANTS IN EACH JURISDICTION OF THE STATE; AND

(VI) WHETHER ANY WITHHELD REFUNDS WERE CONTESTED; AND

(2) MAKE RECOMMENDATIONS REGARDING CONTINUED IMPLEMENTATION OF THE PROGRAM IN A MANNER THAT ENSURES THAT THE PROGRAM DOES NOT DISPARATELY IMPACT INDIVIDUALS ON RACIAL GROUNDS.

(B) ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE GOVERNOR’S OFFICE OF CRIME CONTROL AND PREVENTION SHALL REPORT ITS FINDINGS AND RECOMMENDATIONS TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY.

Chapter 451 of the Acts of 2012, as amended by Chapter 213 of the Acts of 2013

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2012. [Section 1 of this Act shall remain effective for a period of 6 years and, at the end of September 30, 2018, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.]

Chapter 213 of the Acts of 2013

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013. [Section 1 of this Act shall remain effective until the taking effect of the termination provision specified in Section 3 of Chapter 451 of the Acts of 2012. If that termination provision takes effect, Section 1 of this Act shall be abrogated and of no further force and effect.]

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – Tax – General

13-936.

(a) ~~(1)~~ This part applies only to individuals who:

~~(i)~~ (1) are residents of [Anne Arundel County,] Baltimore City, Washington County, or a county that participates in the program under this part; or

~~(ii)~~ (2) have an outstanding warrant from [Anne Arundel County,] Baltimore City, Washington County, or a county that participates in the program under this part.

~~(2)~~ (b) A county may participate in the program under this part if the sheriff of the county notifies the Comptroller of the county’s intention to participate on or before December 31 of the first taxable year for which the county intends to participate.

~~(b)~~ (c) A county's participation in the program under this part continues until the sheriff of the county notifies the Comptroller of the county's intention not to participate in the program.

SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect October 1, 2018.

SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section 3 of this Act, this Act shall take effect October 1, 2016. *It shall remain effective for a period of 3 years and, at the end of September 30, 2019, with no further action required by the General Assembly, this Act shall be abrogated and of no further force and effect.*

Approved by the Governor, May 10, 2016.