

# SENATE BILL 109

Q1, L6, O3

0lr1129

(PRE-FILED)

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By: **Senator Ellis**

Requested: October 30, 2019

Introduced and read first time: January 8, 2020

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Disabled Active Duty Service Members, Disabled Veterans, and Surviving**  
3 **Spouses – Exemption From Property Tax and Other Charges and Refunds**

4 FOR the purpose of exempting certain dwelling houses owned by a disabled active duty  
5 service member, disabled veteran, or surviving spouse from certain governmental or  
6 taxing authority charges; requiring the State, a county, or a municipal corporation  
7 to pay a certain refund to a disabled active duty service member, disabled veteran,  
8 or surviving spouse under certain circumstances; requiring the State, a county, or a  
9 municipal corporation to pay interest on the refund under certain circumstances;  
10 defining certain terms; providing for the application of this Act; and generally  
11 relating to exemptions from property tax and other governmental charges and  
12 refunds for dwelling houses owned by disabled active duty service members, disabled  
13 veterans, or surviving spouses.

14 BY repealing and reenacting, without amendments,

15 Article – Local Government  
16 Section 16–108(a)  
17 Annotated Code of Maryland  
18 (2013 Volume and 2019 Supplement)

19 BY adding to

20 Article – Local Government  
21 Section 16–108.1  
22 Annotated Code of Maryland  
23 (2013 Volume and 2019 Supplement)

24 BY adding to

25 Article – Tax – Property  
26 Section 1–306  
27 Annotated Code of Maryland

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2019 Replacement Volume)

2 BY repealing and reenacting, without amendments,  
3 Article – Tax – Property  
4 Section 7–208(a)  
5 Annotated Code of Maryland  
6 (2019 Replacement Volume)

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – Property  
9 Section 7–208(g) and (h)  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume)

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

14 **Article – Local Government**

15 16–108.

16 (a) In this section, “governmental charge” means a tax, a fee, or any other charge  
17 that a county or municipality collects.

18 **16–108.1.**

19 **(A) IN THIS SECTION, “GOVERNMENTAL CHARGE” HAS THE MEANING**  
20 **STATED IN § 16–108 OF THIS SUBTITLE.**

21 **(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DWELLING**  
22 **HOUSE THAT IS EXEMPT UNDER § 7–208 OF THE TAX – PROPERTY ARTICLE IS ALSO**  
23 **EXEMPT FROM ANY GOVERNMENTAL CHARGES THAT ARE DIRECTLY RELATED TO**  
24 **THE DWELLING HOUSE.**

25 **Article – Tax – Property**

26 **1–306.**

27 **(A) IN THIS SECTION, “DWELLING HOUSE” HAS THE MEANING STATED IN §**  
28 **7–208 OF THIS ARTICLE.**

29 **(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DWELLING**  
30 **HOUSE THAT IS EXEMPT UNDER § 7–208 OF THIS ARTICLE IS ALSO EXEMPT FROM**  
31 **ANY OTHER FEE OR CHARGE IMPOSED BY THE STATE, A COUNTY, A MUNICIPAL**

1 CORPORATION, OR ANY OTHER TAXING AUTHORITY THAT IS DIRECTLY RELATED TO  
2 THE DWELLING HOUSE.

3 7-208.

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

5 (2) "Disabled active duty service member" means an individual in active  
6 service of the military, naval, or air service as defined in 38 U.S.C. § 101 who has a service  
7 connected physical disability that:

8 (i) is reasonably certain to continue for the life of the service  
9 member; and

10 (ii) was not caused or incurred by misconduct of the service member.

11 (3) (i) "Disabled veteran" means an individual who:

12 1. is honorably discharged or released under honorable  
13 circumstances from active military, naval, or air service as defined in 38 U.S.C. § 101; and

14 2. has been declared by the Veterans' Administration to have  
15 a permanent 100% service connected disability that results from blindness or other  
16 disabling cause that:

17 A. is reasonably certain to continue for the life of the veteran;  
18 and

19 B. was not caused or incurred by misconduct of the veteran.

20 (ii) "Disabled veteran" includes an individual who qualifies  
21 posthumously for a 100% service connected disability.

22 (4) "Dwelling house":

23 (i) means real property that is:

24 1. the legal residence of a disabled active duty service  
25 member, disabled veteran, or surviving spouse; and

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

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

29 (5) "Individual who died in the line of duty" means an individual who died  
30 while in the active military, naval, or air service of the United States as a result of an injury

1 or disease that is deemed under 38 U.S.C. § 105 to have been incurred in the line of duty.

2 (6) "Surviving spouse" means an individual who has not remarried and  
3 who:

4 (i) is the surviving spouse of a disabled veteran;

5 (ii) is the surviving spouse of an individual who died in the line of  
6 duty; or

7 (iii) receives Dependency and Indemnity Compensation from the  
8 United States Department of Veterans Affairs.

9 (g) (1) **[In] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION,**  
10 **IN** the taxable years in which an exemption under this section was authorized but not  
11 granted, **[the governing body of] THE STATE**, a county, or a municipal corporation **[may**  
12 **authorize, by law,] SHALL PAY** a refund to an individual described below who receives an  
13 exemption under this section:

14 (i) **TO A DISABLED ACTIVE DUTY SERVICE MEMBER, DISABLED**  
15 **VETERAN, OR SURVIVING SPOUSE FOR ANY STATE PROPERTY TAX PAID;**

16 **(II)** to a disabled active duty service member, disabled veteran, or  
17 surviving spouse for any county property tax paid; or

18 **[(ii)] (III)** to a disabled active duty service member or disabled  
19 veteran for any municipal corporation property tax paid.

20 (2) **A DISABLED ACTIVE DUTY SERVICE MEMBER OR DISABLED**  
21 **VETERAN MAY APPLY FOR A REFUND OF STATE, COUNTY, AND MUNICIPAL**  
22 **CORPORATION PROPERTY TAX PAID ON THE DWELLING HOUSE WHILE THE**  
23 **EXEMPTION WAS AVAILABLE ONLY IF THE DISABLED ACTIVE DUTY SERVICE MEMBER**  
24 **OR DISABLED VETERAN APPLIES FOR THE EXEMPTION DURING THE**  
25 **5-YEAR PERIOD BEGINNING WITH THE CALENDAR YEAR IN WHICH THE DISABLED**  
26 **ACTIVE DUTY SERVICE MEMBER OR DISABLED VETERAN INITIALLY BECAME**  
27 **ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION.**

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

33 (h) (1) For the purposes of subsections (f) and (g) of this section, **THE STATE**,  
34 a county, or A municipal corporation shall pay to a disabled active duty service member,

1 disabled veteran, or surviving spouse interest on the amount of a refund if:

2 (i) [the governing body has authorized the refund;

3 (ii)] the disabled active duty service member, disabled veteran, or  
4 surviving spouse is eligible and has applied for the refund; and

5 [(iii)] (II) the STATE, county, or municipal corporation fails to make  
6 the refund within 60 days after the eligible disabled active duty service member, disabled  
7 veteran, or surviving spouse has applied for the refund.

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

9 (i) THE STATE SHALL PAY INTEREST AT THE RATE THE STATE  
10 CHARGES ON OVERDUE TAXES;

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

13 [(ii)] (III) interest shall accrue from the date the REFUND  
14 application is filed with the STATE, county, or municipal corporation.

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
16 apply retroactively and shall be applied to and interpreted to affect all taxable years  
17 beginning after June 30, 2015.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
19 1, 2020.