

# HOUSE BILL 571

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EMERGENCY BILL

1lr1587

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By: **Montgomery County Delegation**

Introduced and read first time: January 20, 2021

Assigned to: Ways and Means

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Committee Report: Favorable

House action: Adopted

Read second time: March 5, 2021

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Montgomery County – Disabled Active Duty Service Members, Disabled**  
3 **Veterans, and Surviving Spouses – Property Tax Abatement**

4 **MC 20–21**

5 FOR the purpose of authorizing the governing body of Montgomery County to authorize, by  
6 law, for certain taxable years and under certain circumstances, an abatement of any  
7 overdue property tax on dwelling houses owned by disabled active duty service  
8 members, disabled veterans, or surviving spouses who qualify for a certain property  
9 tax exemption; making a conforming change; making this Act an emergency  
10 measure; and generally relating to a property tax exemption for dwelling houses  
11 owned by disabled active duty service members, disabled veterans, or surviving  
12 spouses.

13 BY repealing and reenacting, without amendments,  
14 Article – Tax – Property  
15 Section 7–208(a) and (b)  
16 Annotated Code of Maryland  
17 (2019 Replacement Volume and 2020 Supplement)

18 BY repealing and reenacting, with amendments,  
19 Article – Tax – Property  
20 Section 7–208(f)  
21 Annotated Code of Maryland

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### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



(2019 Replacement Volume and 2020 Supplement)

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

**Article – Tax – Property**

7–208.

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

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

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

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

(3) (i) “Disabled veteran” means an individual who:

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

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

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

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

(ii) “Disabled veteran” includes an individual who qualifies posthumously for a 100% service connected disability.

(4) “Dwelling house”:

(i) means real property that is:

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

2. occupied by not more than 2 families; and

(ii) includes the lot or curtilage and structures necessary to use the

1 real property as a residence.

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

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

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

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

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

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

14 (1) the dwelling house is owned by:

15 (i) a disabled active duty service member;

16 (ii) a disabled veteran;

17 (iii) a surviving spouse of an individual who died in the line of duty,  
18 if:

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

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

24 3. the dwelling house was acquired after the surviving  
25 spouse qualified for exemption for a former dwelling house under item 1 or 2 of this item,  
26 to the extent of the previous exemption; or

27 (iv) a surviving spouse of a disabled veteran who meets the  
28 requirements of subsection (c) of this section; and

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

30 (f) (1) An exemption under this section is prorated by the supervisor for any  
31 part of a taxable year that remains after the date in the year when the disabled active duty

1 service member, disabled veteran, or surviving spouse applies for the exemption.

2 (2) (I) Notwithstanding any other provision of this article **AND EXCEPT**  
3 **AS PROVIDED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH**, if a dwelling is transferred  
4 to a disabled active duty service member, disabled veteran, or surviving spouse who  
5 qualifies for an exemption under this section, the exemption applies and the property tax  
6 is abated from the date of settlement for the purchase of the property, if the transferee  
7 applies for the exemption within 30 days after the settlement for the purchase of the  
8 property.

9 (II) **NOTWITHSTANDING § 7-104 OF THIS TITLE AND FOR ANY**  
10 **TAXABLE YEAR BEGINNING ON OR AFTER JULY 1, 2018, THE GOVERNING BODY OF**  
11 **MONTGOMERY COUNTY MAY AUTHORIZE, BY LAW, AN ABATEMENT OF ANY OVERDUE**  
12 **PROPERTY TAX:**

13 1. **ON A DWELLING TRANSFERRED TO A DISABLED**  
14 **ACTIVE DUTY SERVICE MEMBER, DISABLED VETERAN, OR SURVIVING SPOUSE WHO**  
15 **APPLIES FOR AND QUALIFIES FOR AN EXEMPTION UNDER THIS SECTION; AND**

16 2. **FOR WHICH THE TRANSFEREE IS LIABLE.**

17 (3) The Department shall adopt regulations to administer the provisions of  
18 [paragraph (2)] **PARAGRAPH (2)(I)** of this subsection.

19 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency  
20 measure, is necessary for the immediate preservation of the public health or safety, has  
21 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
22 each of the two Houses of the General Assembly, and shall take effect from the date it is  
23 enacted.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.