

HOUSE BILL 1311

Q1
HB 1109/20 – W&M

11r2969
CF SB 269

By: **Delegate Mangione**

Introduced and read first time: February 8, 2021

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax Exemption – Disabled Active Duty Service Members, Disabled**
3 **Veterans, and Surviving Spouses – Refund**

4 FOR the purpose of requiring the State, a county, or a municipal corporation to pay a
5 certain refund to a disabled active duty service member, disabled veteran, or
6 surviving spouse under certain circumstances; requiring the State, a county, or a
7 municipal corporation to pay interest on the refund under certain circumstances;
8 providing for the application of this Act; and generally relating to refunds for
9 property taxes paid for dwelling houses owned by disabled active duty service
10 members, disabled veterans, or surviving spouses.

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

16 BY repealing and reenacting, with amendments,
17 Article – Tax – Property
18 Section 7–208(g) and (h)
19 Annotated Code of Maryland
20 (2019 Replacement Volume and 2020 Supplement)

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

23 **Article – Tax – Property**

24 7–208.

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

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

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

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

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

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

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

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

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

18 (4) “Dwelling house”:

19 (i) means real property that is:

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

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

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

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

28 (6) “Surviving spouse” means an individual who has not remarried and
29 who:

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

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

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

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

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

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

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

16 (2) **A DISABLED ACTIVE DUTY SERVICE MEMBER OR DISABLED**
17 **VETERAN MAY APPLY FOR A REFUND OF STATE, COUNTY, AND MUNICIPAL**
18 **CORPORATION PROPERTY TAX PAID ON THE DWELLING HOUSE WHILE THE**
19 **EXEMPTION WAS AVAILABLE ONLY IF THE DISABLED ACTIVE DUTY SERVICE MEMBER**
20 **OR DISABLED VETERAN APPLIES FOR THE EXEMPTION DURING THE**
21 **3-YEAR PERIOD BEGINNING WITH THE CALENDAR YEAR IN WHICH THE DISABLED**
22 **ACTIVE DUTY SERVICE MEMBER OR DISABLED VETERAN INITIALLY BECAME**
23 **ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION.**

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

29 (h) (1) For the purposes of subsections (f) and (g) of this section, **THE STATE**,
30 a county, or A municipal corporation shall pay to a disabled active duty service member,
31 disabled veteran, or surviving spouse interest on the amount of a refund if:

32 (i) **[the governing body has authorized the refund;**

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

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

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

5 (i) **THE STATE SHALL PAY INTEREST AT THE RATE THE STATE**
6 **CHARGES ON OVERDUE TAXES;**

7 **(II)** the county or municipal corporation shall pay interest at the rate
8 the county or municipal corporation charges on overdue taxes; and

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

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to
12 apply retroactively and shall be applied to and interpreted to affect all taxable years
13 beginning after June 30, 2018.

14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
15 1, 2021.