

Chapter 367

**(House Bill 571)**

AN ACT concerning

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

**MC 20–21**

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

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

BY repealing and reenacting, with amendments,  
Article – Tax – Property  
Section 7–208(f)  
Annotated Code of Maryland  
(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 real property as a residence.

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

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

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

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

(iii) receives Dependency and Indemnity Compensation from the

United States Department of Veterans Affairs.

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

(1) the dwelling house is owned by:

(i) a disabled active duty service member;

(ii) a disabled veteran;

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

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

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

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

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

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

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

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

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

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

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

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

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

**Enacted under Article II, § 17(c) of the Maryland Constitution, May 30, 2021.**