

## Chapter 647

**(House Bill 842)**

AN ACT concerning

**Property Tax Exemption – Property Acquired by Surviving Spouse of Service Member – Repeal of Time Limitation Credit – Surviving Spouse of Military Service Member**

FOR the purpose of ~~repealing a requirement that a dwelling house of a surviving spouse of a service member who died in the line of duty be acquired within a certain number of years of the service member's death to qualify for a real property tax exemption; and generally relating to a real property tax exemption for a dwelling house acquired by a surviving spouse of a service member who died in the line of duty~~ authorizing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant, by law, a property tax credit against the county or municipal corporation property tax imposed on the dwelling house of a surviving spouse of a military service member who is ineligible for a certain property tax exemption; and generally relating to a property tax credit for a surviving spouse of a military service member.

BY repealing and reenacting, without amendments,

Article – Tax – Property

Section 7–208(a)

Annotated Code of Maryland

(2019 Replacement Volume and 2025 Supplement)

BY ~~repealing and reenacting, with amendments,~~ adding to

Article – Tax – Property

Section ~~7–208(b)~~ 9–267.1

Annotated Code of Maryland

(2019 Replacement Volume and 2025 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 U.S. Department of Veterans Affairs 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 U.S. Department of Veterans Affairs.

~~(b) Except as provided in subsection (c) 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; OR~~

~~2. the dwelling house was acquired by the surviving spouse [within 2 years of the individual's death, if] AND 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.~~

**9-267.1.**

**(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.**

**(2) "DWELLING HOUSE" HAS THE MEANING STATED IN § 7-208 OF THIS ARTICLE.**

**(3) "SURVIVING SPOUSE" HAS THE MEANING STATED IN § 7-208 OF THIS ARTICLE.**

**(B) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY GRANT, BY LAW, A PROPERTY TAX CREDIT AGAINST THE COUNTY OR MUNICIPAL CORPORATION**

**PROPERTY TAX IMPOSED ON THE DWELLING HOUSE OF A SURVIVING SPOUSE IF THE SURVIVING SPOUSE IS INELIGIBLE FOR THE PROPERTY TAX EXEMPTION UNDER § 7-208 OF THIS ARTICLE.**

**(c) THE MAYOR AND CITY COUNCIL OF BALTIMORE CITY OR THE GOVERNING BODY OF A COUNTY OR MUNICIPAL CORPORATION MAY PROVIDE, BY LAW, FOR:**

- (1) THE AMOUNT AND DURATION OF THE TAX CREDIT;**
- (2) ADDITIONAL ELIGIBILITY REQUIREMENTS FOR THE TAX CREDIT;**
- (3) REGULATIONS AND PROCEDURES FOR THE APPLICATION AND UNIFORM PROCESSING OF REQUESTS FOR THE TAX CREDIT; AND**
- (4) ANY OTHER PROVISION NECESSARY TO CARRY OUT THE TAX CREDIT.**

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.

**Approved by the Governor, May 26, 2026.**