

HOUSE BILL 644

Q1
HB 443/23 – W&M

6lr2391

By: **Delegates D. Jones, Arentz, Griffith, Hornberger, A. Johnson, Reilly, Rogers, and Schmidt**

Introduced and read first time: January 30, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Exemption for Dwellings of Surviving Spouses of Disabled**
3 **Veterans – Application**

4 FOR the purpose of altering the application requirements for a certain property tax
5 exemption for a dwelling house owned by the surviving spouse of a disabled veteran;
6 and generally relating to a property tax exemption for a dwelling house owned by
7 the surviving spouse of a disabled veteran.

8 BY repealing and reenacting, with amendments,
9 Article – Tax – Property
10 Section 7-208
11 Annotated Code of Maryland
12 (2019 Replacement Volume and 2025 Supplement)

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

15 **Article – Tax – Property**

16 7-208.

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

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

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 military, naval, or air service as defined in 38 U.S.C. § 101; and

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

9 and

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

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

(4) “Dwelling house”:

(i) means real property that is:

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.

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

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

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

(iii) receives Dependency and Indemnity Compensation from the U.S. Department of Veterans Affairs.

3 (1) the dwelling house is owned by:

4 (i) a disabled active duty service member;

5 (ii) a disabled veteran;

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

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

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

19 (c) Except as provided in subsections (d) and (e) of this section, after a disabled
20 veteran dies, the surviving spouse of the disabled veteran shall receive a disabled veteran's
21 property tax exemption:

22 (1) for the dwelling house that was formerly owned by the disabled veteran:

23 (i) if the dwelling house received an exemption under this section;
24 and

25 (ii) if the surviving spouse owns and resides in the dwelling house;

26 (2) for the dwelling house that was formerly occupied by the disabled
27 veteran:

28 (i) if the dwelling house did not receive an exemption under this
29 section;

30 (ii) if the disabled veteran was domiciled in the State at death; and

(iii) if the surviving spouse owns and resides in the dwelling house;

2 and

(3) for a dwelling house subsequently acquired by the surviving spouse, equal to the exemption for the former dwelling house when the dwelling house owned by the surviving spouse was transferred by the surviving spouse:

6 (i) if the surviving spouse owns and resides in the subsequently
7 acquired dwelling house; and

(ii) if the surviving spouse has qualified under item (1) or (2) of this subsection.

10 (d) (1) (I) A disabled veteran or a surviving spouse of a disabled veteran
11 shall apply for an exemption under this section by providing to the supervisor:

12 [(i)] 1. a copy of the disabled veteran's discharge certificate from
13 active military, naval, or air service; and

14 [(ii)] 2. EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
15 PARAGRAPH:

16 [1.] A. on the form provided by the Department, a
17 certification of the disabled veteran's disability from the U.S. Department of Veterans
18 Affairs; or

19 [2.] B. a rating decision of the disabled veteran's disability
20 from the U.S. Department of Veterans Affairs that includes the effective date of the rating
21 decision.

22 (II) IF THE APPLICANT IS A SURVIVING SPOUSE OF A DISABLED
23 VETERAN, THE APPLICANT MAY SUBMIT DEPENDENCY AND INDEMNITY
24 COMPENSATION DOCUMENTATION FROM THE U.S. DEPARTMENT OF VETERANS
25 AFFAIRS INSTEAD OF THE CERTIFICATION OR RATING DECISION REQUIRED UNDER
26 SUBPARAGRAPH (I)2 OF THIS PARAGRAPH.

29 (i) the disabled veteran; or

30 (ii) appropriate employees of the State, a county, or a municipal
31 corporation.

32 (3) A disabled active duty service member shall apply for an exemption
33 under this section by providing to the supervisor, on the form provided by the Department,

1 a certification of the service member's disability from a physician licensed to practice
2 medicine in the State or from the U.S. Department of Veterans Affairs.

3 (4) A surviving spouse of an individual who died in the line of duty shall
4 apply for an exemption under this section by providing to the supervisor certification that
5 the individual died while in active service as a result of an injury or disease incurred in the
6 line of duty.

7 (5) (i) An individual may submit, and the Department shall accept, an
8 application for the exemption under this section for a specific dwelling house the individual
9 intends to purchase before the individual purchases the dwelling house.

10 (ii) The Department, within 15 business days following receipt of an
11 application submitted under subparagraph (i) of this paragraph, shall process the
12 application and send the applicant a letter stating:

13 1. that the application is preliminarily approved or
14 preliminarily denied; and

15 2. if the application is preliminarily approved, the amount of
16 the tax exemption for the dwelling the individual intends to purchase.

17 (iii) An individual who is issued a letter preliminarily approving the
18 exemption shall receive the exemption for the dwelling referenced in the letter after
19 becoming the owner of the dwelling without having to file another application.

20 (e) (1) Except as provided in paragraph (2) of this subsection, an exemption
21 under this section shall be granted in addition to any other exemption authorized by law.

22 (2) An individual may receive an exemption under this section or under §
23 7–207 of this subtitle but not under both.

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

27 (2) (i) Notwithstanding any other provision of this article and except as
28 provided in subparagraph (ii) of this paragraph, if a dwelling is transferred to a disabled
29 active duty service member, disabled veteran, or surviving spouse who qualifies for an
30 exemption under this section, the exemption applies and the property tax is abated from
31 the date of settlement for the purchase of the property, if the transferee applies for the
32 exemption within 30 days after the settlement for the purchase of the property.

33 (ii) Notwithstanding § 7–104 of this title and for any taxable year
34 beginning on or after July 1, 2018, the governing body of Montgomery County may
35 authorize, by law, an abatement of any overdue property tax:

4 2. for which the transferee is liable.

(g) (1) Subject to paragraphs (2) and (3) of this subsection, in the taxable years in which an exemption under this section was authorized but not granted, the State, a county, or a municipal corporation shall pay a refund to an individual described below who receives an exemption under this section:

11 (i) to a disabled active duty service member, disabled veteran, or
12 surviving spouse for any State property tax paid;

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

31 (i) the disabled active duty service member, disabled veteran, or
32 surviving spouse is eligible and has applied for the refund; and

(2) If interest is payable under this subsection:

2 (i) the State shall pay interest at the rate the State charges on
3 overdue taxes;

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
12 1, 2026, and shall be applicable to all taxable years beginning after June 30, 2026.