



REPLY TO  
ATTENTION OF:

DEPARTMENT OF THE ARMY  
US ARMY INSTALLATION MANAGEMENT COMMAND  
OFFICE OF THE STAFF JUDGE ADVOCATE  
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February 28, 2020

## HEARING TESTIMONY FOR HOUSE BILL 1109

NOTE: This testimony is not intended as an official statement on behalf of the United States Army, the Department of Defense or the United States Government, but is limited to the personal opinions of the author.

**I am writing in support of House Bill 1109**, entitled: "Disabled Active Duty Service Members, Disabled Veterans, and Surviving Spouses - Exemption From Property Tax and Other Charges and Refunds". This bill will benefit former military service-members and their dependents with regard to the property tax exemption offered to 100% permanently disabled veterans.

Under existing law, Section 7-208 of the Tax Property Article provides honorably discharged veterans who have a permanent 100% service connected disability with an exemption from paying real estate taxes on their home. The exemption extends to unremarried surviving spouses of honorably discharged 100% disabled veterans along with the surviving spouses and Dependency and Indemnity Compensation beneficiaries of active duty service-members who died in the line of duty in defense of the United States.

HB1109 addresses the problem that results from the prolonged processing time it takes the U.S. Department of Veterans Affairs (hereafter: "VA") to determine the veteran is entitled to 100% permanent disability status. Whether the request for a disability determination is an initial determination or a subsequent attempt by the veteran to document a disability that has worsened, the VA often takes months if not years to make a decision. **The VA reports it takes 12-18 months to review new appeals and decide whether to grant some or all of the appeal, and as long as five (5) to seven (7) years when you request a review from a Veterans Law Judge at the Board of Veterans' Appeals.**

If the VA agrees with the applicant that the disability qualifies as a service-connected injury, they can issue retroactive eligibility dating back to the earliest date when the veteran showed there was a disability/worsened disability. During the time it takes the VA to process the Veteran's claim, the Veteran must continue paying real estate taxes. HB1109 will ensure that if the veteran is ultimately deemed to be 100% service-connected permanently disabled, she/he would be eligible to get a refund of the real estate taxes that were paid dating back to five (5) years from the calendar year in which the veteran initially was deemed eligible for the 100% service-connected permanent disability.

For clarification purposes, here is an example:

An Operation Enduring Freedom veteran was honorably discharged after serving from 2009-2014. The veteran suffered from Post-Traumatic Stress Disorder (PTSD). Due to difficulties gathering and submitting the proper medical documentation as well as the prolonged VA disability review and appeals process, the veteran ultimately received a 100% Permanent and Total Disability rating in 2019 that was deemed to have an effective date of 2015, the date the veteran filed his claim. While awaiting a decision from the VA, the veteran dutifully paid his real estate taxes. If HB1109 is enacted, the veteran would be eligible to get a refund of his real estate taxes dating back to 2015.

Some objections have been raised that enactment of this legislation would present an undue financial burden on the State, counties and municipalities who would be required to issue refunds. This criticism is exaggerated and short-sighted. The Fiscal Note makes clear that a refund issued for State property taxes paid would total approximately \$370 and estimates if 50 refunds are issued annually, the cost would be \$18,500. Regarding county property tax impact, a county refund would average approximately \$3500 and estimates if 50 refunds are issued each year would cost the county approximately \$175,000. Moreover, disabled veterans who feel welcomed are more inclined to remain in Maryland and use these refunds on the local economy which will partially return to the state coffers in the form of sales taxes.

Even more importantly, the property tax refunds is a minimal cost in stark comparison to the priceless sacrifices our disabled veterans have paid in defense of our country. Many of them have lost limbs, sight and hearing while others have incurred serious brain injuries, respiratory diseases and mental health challenges. In 2018, there were 87,315 disabled veterans in Maryland who received VA compensation of which 12,953 were deemed 100% disabled. Often, they live on fixed incomes because they are unable to work and therefore depend upon the modest property tax refunds to help with their living expenses, home health nurses and handicap-accessible home improvements. They are our friends, neighbors and fellow parishioners and deserve our unwavering gratitude and respect.

HB1109 is a sensible way to ensure 100% permanently disabled veterans are refunded the real estate taxes they would not have owed in the first place if the VA was more efficient in making decisions. The five (5) year provision in the original bill sensibly ensures that Counties would not have an open-ended refund liability, although the proposed amendment that does not impose any "look-back" timeline for refund requests is preferable.

HB1109 is a strong step in the right direction to make Maryland a more "military-friendly" state. I therefore conclude that HB1109 will benefit military veterans and their families.

Thank you for your attention.

*Yosefi Seltzer*

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**Fort George G. Meade, Maryland**, is an installation dedicated to providing quality support to service members, Department of Defense civilian employees, family members, and military retirees. Fort Meade strives to be the Nation's Preeminent Center for Information, Intelligence and Cyber.

Every day, more than 100,000 people seek the services Fort Meade offers. Its primary mission is to provide a wide range of services to more than 95 partner organizations from the Army, Navy, Air Force, Marines and Coast Guard, as well as to several federal agencies including the National Security Agency, Defense Media Activity, Defense Information Systems Agency, the Defense Courier Service and the U.S. Cyber Command.

The installation lies approximately five miles east of Interstate 95 and one-half mile east of the Baltimore-Washington Parkway, between Maryland State routes 175 and 198. Fort Meade is located near the communities of Odenton, Laurel, Columbia and Jessup, and is home to approximately 11,000 military personnel along with about 29,000 civilian employees. Nearly 6,000 family members reside on-post. With more than 56,000 employees, Fort Meade is Maryland's largest employer and is the third-largest workforce of any Army installation in the U.S. In response to the military's Base Realignment and Closure plan, construction of new facilities has now been completed for Defense Adjudication Activities, the Defense Information Systems Agency and the Defense Media Activity.

The **Legal Assistance Division** provides free legal services to Active-Duty service-members, retirees and spouses in a wide variety of areas including tax assistance, domestic relations, estate planning, consumer law, military administrative appeals and the like.

**Mr. Seltzer** served for more than four years on Active Duty at the Third Infantry Division (Mechanized) and the U.S. Army Legal Services Agency's Environmental Law Division of the Headquarters, Department of the Army and has served as a Legal Assistance Attorney since 2008 at Fort Meade and Fort Belvoir, Virginia, and has served as a Supervisory Attorney since 2018. Mr. Seltzer is licensed to practice law in Maryland, Washington, D.C., Georgia and New York. He is an active member of the Maryland State Bar Association's Veteran's Affairs and Military Law Committee, is a graduate of the George Washington University (1993) and the University of Maryland School of Law (1999) and is a native of Silver Spring.