

# SENATE BILL 109

Q1, L6, O3

(PRE-FILED)

0lr1129  
CF HB 1109

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By: **Senator Ellis**

Requested: October 30, 2019

Introduced and read first time: January 8, 2020

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 11, 2020

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 ~~Disabled Active Duty Service Members, Disabled Veterans, and Surviving~~  
3 ~~Spouses Exemption From Property Tax and Other Charges and Refunds~~  
4 Property Tax Exemption – Disabled Active Duty Service Members, Disabled  
5 Veterans, and Surviving Spouses – Refund

6 FOR the purpose of ~~exempting certain dwelling houses owned by a disabled active duty~~  
7 ~~service member, disabled veteran, or surviving spouse from certain governmental or~~  
8 ~~taxing authority charges~~; requiring the State, a county, or a municipal corporation  
9 to pay a certain refund to a disabled active duty service member, disabled veteran,  
10 or surviving spouse under certain circumstances; requiring the State, a county, or a  
11 municipal corporation to pay interest on the refund under certain circumstances;  
12 ~~defining certain terms~~; providing for the application of this Act; and generally  
13 relating to ~~exemptions from property tax and other governmental charges and~~  
14 refunds for property taxes paid for dwelling houses owned by disabled active duty  
15 service members, disabled veterans, or surviving spouses.

16 ~~BY repealing and reenacting, without amendments,~~  
17 ~~Article – Local Government~~  
18 ~~Section 16–108(a)~~  
19 ~~Annotated Code of Maryland~~  
20 ~~(2013 Volume and 2019 Supplement)~~

21 ~~BY adding to~~  
22 ~~Article – Local Government~~

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~Section 16-108.1~~  
 2 ~~Annotated Code of Maryland~~  
 3 ~~(2013 Volume and 2019 Supplement)~~

4 ~~BY adding to~~  
 5 ~~Article – Tax – Property~~  
 6 ~~Section 1-306~~  
 7 ~~Annotated Code of Maryland~~  
 8 ~~(2019 Replacement Volume)~~

9 BY repealing and reenacting, without amendments,  
 10 Article – Tax – Property  
 11 Section 7-208(a)  
 12 Annotated Code of Maryland  
 13 (2019 Replacement Volume)

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

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

21 ~~Article – Local Government~~

22 ~~16-108.~~

23 ~~(a) In this section, “governmental charge” means a tax, a fee, or any other charge~~  
 24 ~~that a county or municipality collects.~~

25 ~~16-108.1.~~

26 ~~(A) IN THIS SECTION, “GOVERNMENTAL CHARGE” HAS THE MEANING~~  
 27 ~~STATED IN § 16-108 OF THIS SUBTITLE.~~

28 ~~(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DWELLING~~  
 29 ~~HOUSE THAT IS EXEMPT UNDER § 7-208 OF THE TAX – PROPERTY ARTICLE IS ALSO~~  
 30 ~~EXEMPT FROM ANY GOVERNMENTAL CHARGES THAT ARE DIRECTLY RELATED TO~~  
 31 ~~THE DWELLING HOUSE.~~

32 Article – Tax – Property

33 ~~1-306.~~

1           ~~(A) IN THIS SECTION, "DWELLING HOUSE" HAS THE MEANING STATED IN §~~  
2 ~~7-208 OF THIS ARTICLE.~~

3           ~~(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, A DWELLING~~  
4 ~~HOUSE THAT IS EXEMPT UNDER § 7-208 OF THIS ARTICLE IS ALSO EXEMPT FROM~~  
5 ~~ANY OTHER FEE OR CHARGE IMPOSED BY THE STATE, A COUNTY, A MUNICIPAL~~  
6 ~~CORPORATION, OR ANY OTHER TAXING AUTHORITY THAT IS DIRECTLY RELATED TO~~  
7 ~~THE DWELLING HOUSE.~~

8 7-208.

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

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

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

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

16           (3) (i) "Disabled veteran" means an individual who:

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

19                               2. has been declared by the Veterans' Administration to have  
20 a permanent 100% service connected disability that results from blindness or other  
21 disabling cause that:

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

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

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

27           (4) "Dwelling house":

28                               (i) means real property that is:

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

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

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

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

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

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

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

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

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

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

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

23                                (iii)       **(III)** to a disabled active duty service member or disabled  
24 veteran for any municipal corporation property tax paid.

25                                (2)       **A DISABLED ACTIVE DUTY SERVICE MEMBER OR DISABLED**  
26 **VETERAN MAY APPLY FOR A REFUND OF STATE, COUNTY, AND MUNICIPAL**  
27 **CORPORATION PROPERTY TAX PAID ON THE DWELLING HOUSE WHILE THE**  
28 **EXEMPTION WAS AVAILABLE ONLY IF THE DISABLED ACTIVE DUTY SERVICE MEMBER**  
29 **OR DISABLED VETERAN APPLIES FOR THE EXEMPTION DURING THE**  
30 **~~5-YEAR~~ 3-YEAR PERIOD BEGINNING WITH THE CALENDAR YEAR IN WHICH THE**  
31 **DISABLED ACTIVE DUTY SERVICE MEMBER OR DISABLED VETERAN INITIALLY**  
32 **BECAME ELIGIBLE FOR AN EXEMPTION UNDER THIS SECTION.**

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

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

9                   (i) [the governing body has authorized the refund;

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

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

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

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

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

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

22           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
23 apply retroactively and shall be applied to and interpreted to affect all taxable years  
24 beginning after June 30, ~~2015~~ 2017.

25           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
26 1, 2020.