

# SENATE BILL 32

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3lr0880

(PRE-FILED)

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By: ~~Senator Brooks~~ Senators Brooks, Bailey, Benson, Corderman, Elfreth, Guzzone, Hester, Hettleman, Jackson, Jennings, King, McCray, Rosapepe, Salling, and Zucker

Requested: November 18, 2022

Introduced and read first time: January 11, 2023

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 2, 2023

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

1 AN ACT concerning

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

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

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – Property  
9 Section 7–208  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume and 2022 Supplement)

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

14 **Article – Tax – Property**

15 7–208.

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

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

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

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

7           (3) (i) “Disabled veteran” means an individual who:

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

10                   2. has been declared by the [Veterans’ Administration] **U.S.**  
11 **DEPARTMENT OF VETERANS AFFAIRS** to have a permanent 100% service connected  
12 disability that results from blindness or other disabling cause that:

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

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

16                   (ii) “Disabled veteran” includes an individual who qualifies  
17 posthumously for a 100% service connected disability.

18           (4) “Dwelling house”:

19                   (i) means real property that is:

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

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

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

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

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

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

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

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

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

7 (1) the dwelling house is owned by:

8 (i) a disabled active duty service member;

9 (ii) a disabled veteran;

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

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

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

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

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

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

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

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

27 (i) if the dwelling house received an exemption under this section;

28 and

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

30 (2) for the dwelling house that was formerly occupied by the disabled  
31 veteran:

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

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

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

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

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

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

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

15 (i) a copy of the disabled veteran's discharge certificate from active  
16 military, naval, or air service; and

17 (ii) **1.** on the form provided by the Department, a certification of  
18 the disabled veteran's disability from the U.S. Department of Veterans Affairs; **OR**

19 **2. A RATING DECISION OF THE DISABLED VETERAN'S**  
20 **DISABILITY FROM THE U.S. DEPARTMENT OF VETERANS AFFAIRS THAT INCLUDES**  
21 **THE EFFECTIVE DATE OF THE RATING DECISION.**

22 (2) The disabled veteran's certificate of disability **OR RATING DECISION**  
23 may not be inspected by individuals other than:

24 (i) the disabled veteran; or

25 (ii) appropriate employees of the State, a county, or a municipal  
26 corporation.

27 (3) A disabled active duty service member shall apply for an exemption  
28 under this section by providing to the supervisor, on the form provided by the Department,  
29 a certification of the service member's disability from a physician licensed to practice  
30 medicine in the State or from the U.S. Department of Veterans Affairs.

31 (4) A surviving spouse of an individual who died in the line of duty shall

1 apply for an exemption under this section by providing to the supervisor certification that  
2 the individual died while in active service as a result of an injury or disease incurred in the  
3 line of duty.

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

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

10 1. that the application is preliminarily approved or  
11 preliminarily denied; and

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

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

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

19 (2) An individual may receive an exemption under this section or under §  
20 7–207 of this subtitle but not under both.

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

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

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

33 1. on a dwelling transferred to a disabled active duty service  
34 member, disabled veteran, or surviving spouse who applies for and qualifies for an  
35 exemption under this section; and



1 (ii) the county or municipal corporation shall pay interest at the rate  
2 the county or municipal corporation charges on overdue taxes; and

3 (iii) interest shall accrue from the date the refund application is filed  
4 with the State, county, or municipal corporation.

5 (i) Each county shall include information on the property tax bill about the  
6 availability of the property tax exemption for disabled active duty service members,  
7 disabled veterans, and surviving spouses authorized under this section.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June  
9 1, 2023, and shall be applicable to all taxable years beginning after June 30, 2023.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.