

SENATE BILL REPORT

SB 6452

As Reported by Senate Committee On:
Government Operations, Tribal Relations & Elections, February 2, 2012

Title: An act relating to veterans' assistance levies.

Brief Description: Concerning veterans' assistance levies.

Sponsors: Senators Haugen, Hobbs, Rolfes and Shin.

Brief History:

Committee Activity: Government Operations, Tribal Relations & Elections: 1/31/12, 2/02/12 [DP-WM].

SENATE COMMITTEE ON GOVERNMENT OPERATIONS, TRIBAL RELATIONS & ELECTIONS

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Pridemore, Chair; Prentice, Vice Chair; Swecker, Ranking Minority Member; Benton, Chase and Nelson.

Staff: Sharon Swanson (786-7447)

Background: Currently the legislative authority in each county must levy a property tax in a sum equal to the amount which would be raised by not less than \$0.08 cents per \$1,000.00 of assessed value, and not greater than \$0.27 per \$1,000.00 of assessed value against the taxable property of their respective counties. The property tax must be levied and collected for the purpose of creating a veterans' assistance fund. Expenditures from the veterans' assistance fund, and interest earned on balanced from the fund, may be used only for:

- the veterans' assistance programs;
- the burial or cremation of a deceased indigent veteran or deceased family member of an indigent veteran;
- the direct and indirect costs incurred in the administration of the fund.

The sum of property tax rates is limited by the state Constitution to a maximum of 1 percent of true and fair value, or \$10.00 per \$1,000.00 of value. The Constitution provides a procedure for voter approval for tax rates that exceed the 1 percent limit. These taxes are called excess levies. Excess levies require not only voter approval, but most also require a 60

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percent super majority to be approved. Taxes imposed under the 1 percent limit are called regular taxes. The Constitution does not require voter approval of regular taxes.

The veterans' assistance levy is subject to the statutory provisions that are included with the aggregate note limit of \$5.90 per \$1,000.00 of assessed value.

Summary of Bill: The Veterans' assistance levy is removed from the county levy and makes it a stand alone levy. The levy is removed from the \$5.90 limit per \$1,000.00 of assessed value, but it is still subject to the \$10.00 constitutional limit. The veterans assistance levy is allowed to grow by the greater of 1 percent or inflation. The levy is subject to prorationing at the same time that the county general levy is subject to prorationing.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Sections 2 and 4 expire January 1, 2018. Sections 3 and 5 take effect January 1, 2018. The act applies to taxes levied for collection in 2013 and thereafter.

Staff Summary of Public Testimony: PRO: This is a good bill that will help generate additional resources for the veteran community. Veterans are returning home from service and they have needs that, with the current economic crises, are hard to meet. This bill will help generate additional resources.

Persons Testifying: PRO: Scott Merriman, Assn. of Counties.