

# SENATE BILL REPORT

## SB 6031

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As Reported by Senate Committee On:  
Ways & Means, January 31, 2018

**Title:** An act relating to veterans' assistance levies.

**Brief Description:** Concerning veterans' assistance levies. **[Revised for 1st Substitute:**  
Concerning administration of veterans' assistance levies.]

**Sponsors:** Senator Van De Wege.

**Brief History:**

**Committee Activity:** Ways & Means: 1/18/18, 1/24/18, 1/25/18, 1/31/18 [DPS, DNP].

**Brief Summary of First Substitute Bill**

- Establishes the Veterans' Assistance Levy as a separate property tax levy outside of the county general levy.

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### SENATE COMMITTEE ON WAYS & MEANS

**Majority Report:** That Substitute Senate Bill No. 6031 be substituted therefor, and the substitute bill do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair; Braun, Ranking Member; Honeyford, Assistant Ranking Member; Bailey, Becker, Billig, Brown, Carlyle, Conway, Darneille, Hunt, Keiser, Mullet, Palumbo, Pedersen, Ranker, Schoesler, Van De Wege, Wagoner and Warnick.

**Minority Report:** Do not pass.

Signed by Senators Hasegawa and Rivers.

**Staff:** Alia Kennedy (786-7405)

**Background:** Veterans' Assistance Program (VAP). In 2005, the Legislature required each county to establish a VAP to provide relief for indigent veterans and their families. Under the VAP, a county must provide funding for qualifying indigent and suffering veterans, or family members. The county must consult with and solicit recommendations from the local veterans' advisory board to determine the appropriate services needed for local indigent

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

veterans. Counties also must pay for the burial or cremation costs of indigent veterans and their families.

Property Tax Limits. The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value—\$10 per \$1,000 of assessed value. The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. In addition to the 1 percent levy limit, there is a 1 percent cap on the revenues a taxing district can receive each year based on the highest amount levied in the past three years. An individual taxing district with a regular property tax levy must adhere to both the statutory rate limits and the revenue limit.

The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example, the state levy rate is limited to \$3.60 per \$1,000 of assessed value, county general levies are limited to \$1.80 per \$1,000 of assessed value, county road levies are limited to \$2.25 per \$1,000 of assessed value, and city levies are limited to \$3.375 per \$1,000 of assessed value. These districts are known as senior districts. Junior districts such as fire, library, hospital, and flood control districts each have specific rate limits as well. The tax rates for most of these senior and junior districts must fit within an overall rate limit of \$5.90 per \$1,000 of assessed value. State statutes contain schedules specifying the preferential order in which the various junior taxing district levies will be prorated in the event that the \$5.90 limit is exceeded. Under this prorating system senior districts are given preference over junior districts.

Veterans' Assistance Levy. State law requires a portion of the county general levy to be used for veterans' assistance programs and other veteran related purposes. For the veterans' assistance levy, the county legislative authority must levy a sum equal to the amount that would be raised by a levy of not less than one and one-eighth cents and not more than \$.27 cents per \$1,000 of assessed value levy. The veterans' assistance levy is considered an earmarked fund within the county general levy. If the county general levy rate is reduced by the 1 percent levy limit, the amount of the county general levy allocated to these purposes may be reduced in the same proportion.

**Summary of Bill (First Substitute):** The veterans' assistance levy is removed as an earmarked fund within the county levy and established as a separate levy. The levy is subject to the \$5.90 per \$1,000 of assessed value limit and must be reduced on a pro rata basis or eliminated as provided in statute.

The act applies to taxes levied for collection beginning in 2019.

**EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):** Provides that the veterans assistance levy must be reduced on a pro rata basis or eliminated. Removes language defining the limit factor for the veterans assistance levy at the greater of 101 percent or inflation.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: This bill helps veterans get the tools they need after they transition out of the military. The housing crisis has effected veterans. This bill helps provide basic services to veterans. The Veterans' Legislative Coalition supports this bill. Current funding for indigent veterans is inadequate. In order to increase the veterans' assistance levy under the current structure means decreasing revenues collected in the county general fund. This bill allows counties to use veterans' assistance dollars without taking away from the general fund, which means that the program will no longer have to compete with programs for public safety, public health, elections, and other general fund program. Many veterans never access their veterans' assistance benefits. These funds help veterans from becoming homeless and connects them to the services they need to become stable and live productive lives.

**Persons Testifying:** PRO: Senator Kevin Van De Wege, Prime Sponsor; Juliana Roe, Washington State Association of Counties; Helen Price Johnson, Island County Commissioner; Randy Johnson, Clallam County Commissioner; Jerry Fugich, Veterans' Legislative Coalition; Ronald Vivion, citizen.

**Persons Signed In To Testify But Not Testifying:** No one.