

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 96** SLS 13RS 171

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

| | | |
|---|----------|-------------------------------|
| Date: May 16, 2013 | 10:16 AM | Author: ADLEY |
| Dept./Agy.: Tax Commission / Local Assessors/Governments | | Analyst: Greg Albrecht |
| Subject: Homestead Exemption for Disabled Veterans | | |

TAX/AD VALOREM

RE SEE FISC NOTE LF RV See Note

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Constitutional amendment to provide for eligibility for disabled veterans and their spouses for certain exemptions from ad valorem taxes. (2/3 - CA13s1(A))

Current law doubles the homestead exemption for veterans with a service-connected disability rating of 100% by the U.S. Department of Veterans Affairs.

Proposed law clarifies that the disability rating refers to unemployability or totally disabled.

To be submitted at the November 4, 2014 statewide election, and effective January 1, 2015.

| EXPENDITURES | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 5 -YEAR TOTAL |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | <u>\$0</u> | <u>\$0</u> | SEE BELOW | SEE BELOW | SEE BELOW | <u>\$0</u> |
| Annual Total | \$0 | \$0 | | | | \$0 |

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The U.S. Department of Veterans Affairs makes service-connected disability ratings as well as unemployability ratings. It is possible for a veteran to have a disability rating less than 100% and still be rated as unemployable. This discrepancy has apparently been a cause for concern for some assessors and veteran homeowners. This bill makes it clear that the disability level that warrants the double homestead exemption benefit is one of unemployability of the individual. To the extent that any veteran has been denied the double homestead exemption benefit due to this discrepancy in ratings, the bill will extend that benefit and local tax bases will be smaller. This is not expected to have a material impact on local tax collections.

Senate

Dual Referral Rules

House

- | | |
|---|--|
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost {S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

John D. Carpenter
Legislative Fiscal Officer