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FISCAL IMPACT REPORT

 NSOR: Cordova DATE TYPED: 01/21/02 HB HJR 2

SHORT TITLE: Veterans' Property Tax Exemption SB _____

ANALYST: Chabot

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY02	FY03	FY02	FY03		
			\$30.0	Non-Recurring	General Fund
			\$35.0	Recurring	General fund

SOURCES OF INFORMATION

LFC Files
 Secretary of State
 Veterans' Service Commission (VSC)

SUMMARY

Synopsis of Bill

This House Joint Resolution proposes amending Article 8, Section 5 of the Constitution and raises the property tax exemption for honorably discharged veterans from \$2,000 to \$4,000 by calendar year 2006. The exemption is raised \$500 each year beginning in 2003 until the \$4,000 exemption is reached in 2006. The amendment is to be included on the next general election or any special election for approval or rejection.

Significant Issues

The veterans' property tax exemption was established in 1986 for honorably discharged veterans who had served during a period of armed conflict recognized by the United States Department of Veterans' Affairs. Examples are World War II, Korea, Viet Nam, Grenada, and the Gulf War. These all had specific dates and, to qualify for the exemption, veterans had to have served during at least one of the specific periods. Those entering and leaving the military outside the specified time periods were not eligible for the exemption. This amendment would make all honorably discharged veterans eligible for the property tax exemption.

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The Secretary of State reports that \$30.0 would be needed to finance the election on the amendment and make required changes to statute if the amendment is passed.

If the amendment is approved by the voters, VSC states they would need 2.0 FTE and \$35.0 in recurring appropriations to handle the workload associated with changing the eligibility requirements to obtain a veterans' exemption certificate.

FISCAL IMPLICATIONS

If passed by the voters, this amendment would have an impact on property tax revenues to local taxing authorities; however, it is not possible to quantify the impact because the number of eligible veterans that may request exemption are not known.

ADMINISTRATIVE IMPLICATIONS

VSC and county treasurers would have additional workload in processing veteran exemption certificates.

GAC/ar