

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1002

Bill Subtitle: TO CLARIFY THE REQUIREMENTS FOR ESTABLISHING ELIGIBILITY FOR THE PROPERTY TAX EXEMPTION FOR DISABLED VETERANS, SURVIVING SPOUSES, AND MINOR DEPENDENT CHILDREN.

Basic Change :

Sponsors: Rep. C. Fite and Sen. Wallace

HB1002 will amend the disabled veteran exemption from ad valorem taxation provided under § 26-3-306(b). A disabled veteran claiming the exemption is required to prove entitlement thereto by providing a copy of the letter from the Department of Veterans Affairs (DVA) verifying that the veteran receives special monthly compensation for a qualifying disability. HB1002 adds to the law that the veteran will only be required to submit the DVA verifying letter one time to establish entitlement to the exemption and clarifies that annual submission of the letter is not required.

HB1002 would be effective for assessment years beginning on and after January 1, 2021.

Revenue Impact :

None.

Taxpayer Impact :

A disabled veteran, or the surviving spouse or minor dependent child of a disabled veteran, who claims an exemption from property tax under § 26-3-306 is only required to submit the required eligibility letter one time.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

County Officials responsible for validating exemptions for disabled veterans will need to change their procedures.

Other Comments :

Once a parcel of property is placed on an exemption list, it has a tendency to remain on the list even after its use or ownership has changed. This list will require county officials to monitor ownership and use of property to determine whether the owner remains entitled to an exemption, a duty the county officials already have.

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Legal Analysis :

HB1002 clarifies that a disabled veteran, or the surviving spouse or minor dependent child of a disabled veteran, is not required to annually submit an eligibility letter from the Department of Veterans Affairs in order to qualify for the property tax exemption in § 26-3-306. Current law requires that the individual claiming the exemption provide a letter to the county collector but does not state how often the letter must be provided. HB1002 adds an additional subdivision to clarify that annual submission of the eligibility letter is not required. This could have the unintended effect of preventing annual review and confirmation of continued eligibility for the exemption.