

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1500

Bill Subtitle: TO AMEND THE LAW CONCERNING THE PROPERTY TAX EXEMPTION FOR DISABLED VETERANS, THEIR SURVIVING SPOUSES, AND THEIR MINOR DEPENDENT CHILDREN; AND TO CLARIFY THE REQUIREMENTS TO ESTABLISH ELIGIBILITY FOR THE EXEMPTION.

Basic Change :

Sponsors: Rep. C. Fite and Sen. D. Wallace

HB1500 amends the disabled veteran exemption from ad valorem taxation provided under § 26-3-306(b). Current law requires a disabled veteran claiming the exemption to prove eligibility for the exemption 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, but does not require a review process to demonstrate continued eligibility for the exemption.

HB1500 creates an annual recertification process requiring a taxpayer to demonstrate continued eligibility for the exemption. Annual resubmission of the letter from DVA would not be required. Instead, the county collector will be required to send a letter and a recertification form to each taxpayer requiring the taxpayer to recertify continued eligibility for the exemption. If the recertification form is not returned, the taxpayer will be ineligible to receive the exemption for the tax year in which the assessment is made.

HB1500 gives the county collector discretion to require a taxpayer to explain any differences between information in the initial verification letter from the DVA and the information contained in the recertification form.

Revenue Impact :

None.

Taxpayer Impact :

The process for a disabled veteran to claim an exemption from property tax will be revised.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

County assessors will need to be educated as to this change as well as the taxpayer community.

Other Comments :

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None.

Legal Analysis :

The bill may benefit from an amendment to address how a disabled veteran, the surviving spouse of a disabled veteran, or the minor dependent child of a disabled veteran could claim entitlement to the exemption for an assessment year following a year in which the form was not returned and the claimant became ineligible to receive the exemption.