

HOUSE BILL REPORT

SSB 6375

As Reported By House Committee On:
Revenue

Title: An act relating to waiver of the one hundred six percent property tax limitation by counties for a veteran's assistance levy.

Brief Description: Waiving the one hundred six percent limit for veteran's assistance county levys.

Sponsors: Senators Haugen, Winsley, M. Rasmussen and Oke.

Brief History:

Reported by House Committee on:
Revenue, February 28, 1994, DPA.

HOUSE COMMITTEE ON REVENUE

Majority Report: Do pass as amended. Signed by 9 members: Representatives G. Fisher, Chair; Holm, Vice Chair; Anderson; Brown; Caver; Cothorn; Leonard; Van Luven and Wang.

Minority Report: Do not pass. Signed by 6 members: Representatives Foreman, Ranking Minority Member; Fuhrman, Assistant Ranking Minority Member; Romero; Rust; Silver and Talcott.

Staff: Rick Peterson (786-7150).

Background: The constitution limits the amount of property taxes that may be imposed on an individual parcel of property without voter approval to \$10 per \$1,000 of assessed value. Taxes imposed under this limit are termed "regular" levies. The county may levy a regular property tax of between 1 1/8 cents and 27 cents per \$1,000 of assessed value for the relief of indigent veterans and the indigent wives, husbands, widows, widowers, and minor children of indigent or deceased veterans; however, the total levy of a county for this and other purposes is limited to \$1.80 per \$1,000 of assessed value.

In 1971, the Legislature imposed a statutory lid on regular property tax levy increases. Under this lid, taxes levied by a taxing district may not exceed 106 percent of the taxes levied by the district in the highest of the preceding three

years. In calculating this amount, the levy in each of the previous years is assumed to be the highest levy permissible under this provision. This limit may be exceeded by majority vote.

Both the county general levy and the county levy for veteran's assistance are consolidated for the purposes of the 106 percent limit.

Summary of Amended Bill: If a county has not made a veteran's assistance levy during the previous two years, it may levy exceeding the 106 percent limit, but not exceeding 2 cents per \$1,000 of assessed value.

Amended Bill Compared to Substitute Bill: The amended bill limits exception to the 106 percent levy limit. The substitute bill exempted all veteran's assistance levies from the 106 percent limit.

Fiscal Note: Available.

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

Testimony For: The law specifically recognizes the need to assist indigent veterans and their widows. Because the county had enough money in the veterans assistance fund, Island County withdrew this portion of the budget from monies which fall under the county's 106 percent levy limit. Now, however, the county finds that it needs to replenish the fund but cannot due to the levy lid. This bill allows the county to put a very small portion of money into the budget without forcing the county to cut its current expense levy. It also takes the burden off of the state of Washington, which would have to help the indigent veteran's if the county cannot.

Testimony Against: None.

Witnesses: Senator Mary Margaret Haugen, prime sponsor; Tri Howard, Washington Department of Veteran Affairs; Dwain Colby, Island County Commission; Fred Saeger, Washington Association of County Officials, Bob Sauter, Veterans' of Foreign Wars; and Keith Sherman, Veterans' Coalition.