

---

**Finance Committee**

---

**HB 1759**

**Brief Description:** Concerning veterans' assistance levies.

**Sponsors:** Representatives Seaquist, Hunt and Ryu.

**Brief Summary of Bill**

- Establishes the Veterans' Assistance Levy as a separate property tax levy outside of the county general levy.

**Hearing Date:** 2/15/13

**Staff:** Jeff Olsen (786-7175).

**Background:**

Property Tax Limits.

The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value). The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. In addition to the 1 percent levy limit, there is a 1 percent cap on the revenues a taxing district can receive each year based on the highest amount levied in the past three years. An individual taxing district with a regular property tax levy must adhere to both the statutory rate limits and the revenue limit.

The Legislature has established individual district rate maximums and aggregate rate maximums to keep the total tax rate for regular property taxes within the constitutional limit. For example, the state levy rate is limited to \$3.60 per \$1,000 of assessed value, county general levies are limited to \$1.80 per \$1,000 of assessed value, county road levies are limited to \$2.25 per \$1,000 of assessed value, and city levies are limited to \$3.375 per \$1,000 of assessed value. These districts are known as "senior" districts. Junior districts such as fire, library, hospital, and flood control districts each have specific rate limits as well. The tax rates for most of these senior and junior districts must fit within an overall rate limit of \$5.90 per \$1,000 of assessed value. State

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

statutes contain schedules specifying the preferential order in which the various junior taxing district levies will be prorated in the event that the \$5.90 limit is exceeded. Under this prorating system senior districts are given preference over junior districts.

Veterans' Assistance Levy.

State law requires a portion of the county general levy to be used for veterans' assistance programs and other veteran related purposes. For the veterans' assistance levy, the county legislative authority must levy a sum equal to the amount that would be raised by a levy of not less than one and one-eighth cents and not more than 27 cents per \$1,000 of assessed value levy. The veterans' assistance levy is considered an earmarked fund within the county general levy. If the county general levy rate is reduced by the 1 percent levy limit, the amount of the county general levy allocated to these purposes may be reduced in the same proportion.

**Summary of Bill:**

The veterans' assistance levy is removed as an earmarked fund within the county levy and established as a separate levy. The veterans' assistance levy is not subject to the \$5.90 per \$1,000 of assessed value limit, but is subject to the \$10.00 per \$1,000 of assessed value constitutional limit. The veterans' assistance levy is subject to prorationing at the same level as the county.

The act applies to taxes levied for collection beginning in 2014.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.