

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6238 SB	<b>Title:</b> Property tax exemption threshold for widows and widowers of veterans
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## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Amy Hatfield, OFM	<b>Phone:</b> (360) 280-7584	<b>Date Published:</b> Final 1/24/2024
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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 6238 SB	<b>Title:</b> Property tax exemption threshold for widows and widowers of veterans	<b>Agency:</b> 140-Department of Revenue
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**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Jeffrey Mitchell	Phone: 60-786-7438	Date: 01/13/2024
Agency Preparation: Erika Ferrara	Phone: 60-534-1517	Date: 01/24/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/24/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/24/2024

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## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

#### CURRENT LAW:

Widows or widowers of a veteran qualify for a property tax exemption, in the form of a grant, if they:

- Meet all senior citizens exemption program requirements, except the income limits.
- Are 62 or older by December 31 of the application year or disabled, and the veteran meets one of the following criteria:
  - Died from a service-related disability.
  - Was rated 100% disabled by the U.S. Veterans Administration for at least the last 10 years before the veteran's death.
  - Was a former prisoner of war and rated 100% disabled for at least one year before the veteran's death.
  - Died while on active duty or in active training status.

In addition, the widow or widower of a veteran must not have remarried or have a combined disposable income of more than \$40,000.

The grant equals the amount of regular and excess property taxes due on the difference between the value of the residence eligible under the senior citizen's exemption program and the following:

- If disposable income is \$30,000 or less, the first \$100,000 of assessed value.
- If disposable income is between \$30,001 and \$35,000, the first \$75,000 of assessed value.
- If disposable income is between \$35,001 and \$40,000, the first \$50,000 of assessed value.

#### PROPOSAL:

This bill adds the following definitions for income thresholds beginning with the 2024 application year:

- Income threshold 1 is the greater of \$30,000, or 50% of the median household income for the county.
- Income threshold 2 is the greater of \$35,000, or 60% of the median household income for the county.
- Income threshold 3 is the greater of \$40,000, or 70% of the median household income for the county.

The bill increases the combined disposable income threshold necessary to qualify for the grant to less than or equal to income threshold 3.

The bill adjusts the amount of the grant to equal the amount of regular and excess property taxes due on the difference between the value of the residence that is eligible under the senior citizen's exemption program and the following:

- If disposable income is equal to or less than threshold 1, the first \$200,000 of assessed value.
- If disposable income is equal to or less than threshold 2 and greater than threshold 1, the first \$150,000 of assessed value.
- If disposable income is equal to or less than threshold 3 and greater than threshold 2, the first \$100,000 of assessed value.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

This bill applies beginning with property taxes due for calendar year 2025.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS

- As of calendar year 2022, 11 participants qualified for the widow or widowers grant program.
- Individuals previously denied for exceeding the threshold will reapply and be approved.
- This legislation will not result in new participants who have never applied for the program.

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## DATA SOURCES

-Department of Revenue, Property tax data

## REVENUE ESTIMATES

This legislation results in no revenue impact on the taxes administered by the department.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

#### ASSUMPTIONS:

- This bill affects qualifying widows and widowers.
- The department anticipates needing an additional \$1,500 in grants awarded to participants each fiscal year. The department has sufficient funding in our regular grants and subsidies appropriation to accommodate the applicants and will absorb these costs within current funding.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

### III. C - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

## Part V: New Rule Making Required

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 6238 SB

**Title:** Property tax exemption threshold for widows and widowers of veterans

**Part I: Jurisdiction**-Location, type or status of political subdivision defines range of fiscal impacts.

## Legislation Impacts:

- Cities:  
 Counties:  
 Special Districts:  
 Specific jurisdictions only:  
 Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.  
 Expenditures represent one-time costs:  
 Legislation provides local option:  
 Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/24/2024
Leg. Committee Contact: Jeffrey Mitchell	Phone: 360-786-7438	Date: 01/13/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/24/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/24/2024

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This bill would modify the property tax exemption threshold for widows and widowers of veterans to:

- Income threshold 1 is the greater of \$30,000, or 50% of the median household income for the county
- Income threshold 2 is the greater of \$35,000, or 60% of the median household income for the county
- Income threshold 3 is the greater of \$40,000, or 70% of the median household income for the county

The bill also increases the combined disposable income threshold necessary to qualify for the grant to less than or equal to income threshold 3.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This bill would not impact local government expenditures because no action is required.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This bill would not impact local government revenues.

According to the Department of Revenue (DOR) this legislation results in no revenue impact on the taxes administered by the department. Please see the DOR fiscal note for a complete list of their data sources and assumptions.

SOURCE:

Department of Revenue fiscal note, SB 6238 (2024)