

13. FIRST READING REAL ESTATE TAX EXEMPTION FOR DISABLED VETERANS

An amendment to the state constitution which creates a real estate tax exemption for disabled veterans was proposed and agreed to by the General Assembly in 2009 and 2010, and ultimately was passed by a vote of the people on November 2, 2010. The constitutional amendment directed the General Assembly to provide the exemption by general law, which the General Assembly did during the 2011 session by passing Senate Bill 987.

Senate Bill 987 requires localities to adopt a local ordinance implementing the tax exemption. Senate Bill 987 was signed by the Governor on April 6. The bill exempts from local real estate taxation 100% of the value of the dwelling, and up to one acre of land upon which the dwelling is situated, owned by a veteran who has been rated by the U.S. Department of Veterans Affairs to have a 100% service-connected, permanent, and total disability, and who occupies the property as his or her principal residence.

The bill also allows the surviving spouse of a veteran eligible for the exemption to qualify for the exemption, provided that the death of the veteran occurs after January 1, 2011. The application for the exemption must be submitted to the commissioner of revenue along with the requisite proof of disability from the U.S. Department of Veteran Affairs. Staff estimates that the exemption for 100% disabled veterans will result in approximately \$10,000.00 in annual real estate tax relief. Funding for this additional exemption has been included as part of the FY2012 proposed budget.

Attached is a proposed ordinance enacting the mandated tax exemption. As required by law, the exemption is effective as of January 1, 2011.

MOTION REQUIRED: A motion is required to advertise the attached ordinance for public comment next month.