

HJR 28 -- PROPERTY TAX EXEMPTION FOR VETERAN ORGANIZATIONS

SPONSOR: Jackson

COMMITTEE ACTION: Voted "do pass" by the Committee on Veterans by a vote of 11 to 0.

This proposed constitutional amendment exempts, upon voter approval, the property of veteran organizations from taxation.

FISCAL NOTE: Estimated Effect on General Revenue Fund of a cost of \$52,560 in FY 2007, \$0 in FY 2008, and \$0 in FY 2009. No impact on Other State Funds in FY 2007, FY 2008, and FY 2009.

PROPONENTS: Supporters say that the property of veteran service organizations like the American Legion or the Veterans of Foreign Wars is generally considered tax exempt because they are devoted to charitable work. Historically, these organizations have never been taxed because they are incorporated as not-for-profits, which should qualify for the exemption. However, some county assessors have started taxing the property because the Missouri Constitution does not expressly exempt them from property tax. The bill will allow Missouri citizens to vote on if this property should be taxed.

Testifying for the bill were Representative Jackson; Veterans of Foreign Wars of the United States, Missouri Department; Marine Corps League, Department of Missouri; Military Officers Association of America, State Council; Missouri Association of Veterans Organizations; American Legion, Department of Missouri; Missouri County Collectors Association; and Pat Kerr.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that to be exempt from taxation, it must be in the Missouri Constitution. Benevolent organizations are exempt for any activities which are charitable, religious, or educational. If the veteran service organizations use their halls for tax-exempt purposes, assessors will usually allow them to remain exempt. However, there is a problem because the exemption is not explicitly stated in the Missouri Constitution.

Others testifying on the bill was Missouri Assessors Association.

Alice Hurley, Legislative Analyst