



**TESTIMONY ON  
HOUSE BILL 1257  
DISABLED VETERANS' REAL ESTATE TAX EXEMPTIONS**

Presented to the House Veterans Affairs and Emergency Preparedness Committee

By  
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Good morning. My name is Brian Hoffman, and I serve as Sullivan County Commissioner. I also have the opportunity to serve as co-chair of the County Commissioners Association of Pennsylvania (CCAP) Emergency Management and Veterans Affairs Policy Committee. CCAP is a non-profit, non-partisan organization that represents all 67 counties across the commonwealth. I appreciate the opportunity to appear before the House Veterans Affairs and Emergency Preparedness Committee today to offer remarks on House Bill 1257, which proposes an amendment to the Pennsylvania Constitution to expand the Disabled Veterans Real Estate Tax Exemption.

Counties in Pennsylvania are responsible for administering and maintaining the real property assessment system. This includes valuing properties, establishing assessment rolls, hearing appeals, administering preferential assessment programs, such as Clean and Green and the Homestead Exemption, and managing tax claims. Importantly, property taxes are the only source of locally generated general tax fund revenue for counties.

Given counties dual role in both programs administration and the provisions of veterans' services, counties have a vested interest in real estate tax exemption for disabled veterans. Counties support House Bill 1257 as it proposes significant policy changes to expand the disabled veterans' real estate tax exemption. By broadening eligibility criteria, the bill has the potential to increase the number of qualifying applicants, promoting greater equity and fairness in access to this important benefit. While counties strongly support the intent behind these exemptions and recognize the positive impact on veterans and their families, they must also be mindful of the implications to the local tax base and the potential for shifting the tax burden to other property owners.

Counties have long supported amendments to the disabled veteran's real estate tax exemption program to ensure it remain fair and responsive to the needs of veterans while balancing the fiscal realities of local government. Specifically, counties support the following improvements:

- Excluding U.S. Department of Veterans Affairs (USDVA) disability income from the program's financial need calculations;
- Removing the requirement for a veteran to have served in a war or conflict;
- Extending the exemption to spouses of service members who are killed in the line of duty, declared missing in action, or who would have been declared disabled but passes away before that determination could be made;
- Allowing veterans residing in long-term care facilities to maintain their eligibility for the exemption, provided they still own the home;

Most notably, this bill includes several provisions that counties recognize as significant policy changes. This include the removal of the requirement that a veteran's disability be directly related to combat service and the extension of the exemption to spouses of service members who have been officially declared missing in action. Counties acknowledge that these changes would broaden eligibility for the real estate tax exemption, potentially increasing the number of qualifying applications. As administrators at the local level, counties appreciate the clarity these

provisions bring and recognize the importance of aligning eligibility criteria with the diverse circumstance experienced by veterans and their families.

House Bill 1257 proposes to remove the requirement for the States Veterans Commission to re-determine financial need when a surviving spouse of an eligible veteran seeks to continue receiving the real estate tax exemption after the veteran's death. While this bill makes this administrative change, it's important to note that the financial need requirement itself remains intact in Pennsylvania Consolidated Statutes, Title 51 Pa.C.S.Ch.89.

Counties are supportive of this bill with the understanding that the statutory requirement to demonstrate financial need is preserved. Maintaining this provision in statute is essential, as the exemption has direct financial implications for counties and other local governments. Tax-exempt properties- whether government owned, designated as purely public charities, or qualifying under veteran exemptions- reduce the taxable base. When one portion of the tax base is exempt, the property tax burden often shifts to other property owners. While federal and state governments may provide payments in lieu of taxes to offset some of these losses, these payments are not consistent or guaranteed across all exemption categories.

Counties remain committed to supporting veterans, both through the delivery of direct services and through informed public policy. In conclusion, Counties support amending the real estate tax exemption program for disabled veterans and surviving spouses in ways that enhance eligibility and fairness, while continuing to advocate for thoughtful approaches that recognize the fiscal impacts on county governments.