

Date of Hearing: July 10, 2023

ASSEMBLY COMMITTEE ON REVENUE AND TAXATION  
Jacqui Irwin, Chair

SB 82 (Seyarto) – As Amended March 14, 2023

Majority vote. Fiscal committee.

**SENATE VOTE:** 37-0

**SUBJECT:** Property taxation: disabled veterans' exemption: eligibility letters

**SUMMARY:** Requires a county assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability, as specified.

Specifically, **this bill:**

- 1) Requires a county assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability, at the discretion of the claimant, when verifying eligibility for the disabled veterans' exemption.
- 2) Defines "letter of service-connected disability" as a letter from the United States Department of Veterans Affairs (USDVA) that provides a benefit summary of the claimant's service-connected disability for purposes of claiming disabled veterans' exemptions.
- 3) Provides that the state shall not reimburse local agencies for property tax revenue losses, instead stating that should the Commission on State Mandates determine that the bill imposes a reimbursable mandate, reimbursement must be made pursuant to existing statutory provisions.

**EXISTING LAW:**

- 1) Provides that all property is taxable unless explicitly exempted by the California Constitution or the laws of the United States. (California Constitution, Article XIII, Section 1.)
- 2) Limits the maximum amount of *ad valorem* property taxation to 1% of the full cash value of the property. Generally, the Constitution restricts the full cash value of a property to the assessed value upon a change of ownership in, or new construction on, the property. This is referred to as the base year value, which may be adjusted upwards for inflation at no more than 2% annually. (California Constitution, Article XIII, Section 1 and 2.)
- 3) Authorizes the Legislature to exempt the home of a disabled veteran, or their eligible surviving spouse, from property taxation. (California Constitution, Article XIII, Section 4.) In implementing this authorization, the Legislature exempts \$100,000 of the value of an eligible disabled veteran's principal residence from property taxation, or \$150,000 if the disabled veteran has a household income of \$40,000, or less. These amounts are all adjusted for inflation beginning on specified dates and this exemption is also known as the "disabled veteran's exemption". A disabled veteran meets the qualifications of the exemption if they

are rated by the USDVA as 100% disabled or unemployable as a result of a service connected injury or disease. (Revenue and Taxation Code (R&TC) Section 205.5.)

- 4) Provides that qualifying taxpayers can file a claim for the exemption when they receive a rating letter from the USDVA indicating a 100% disability rating or that the disability compensation is at the 100% level, so long as they provide:
  - a) Proof of the veteran's disability, which is generally a letter from the USDVA; and,
  - b) Proof that the character of service was under "other than dishonorable" conditions, such as a DD-214, or other letter from the USDVA indicating the character of service. (R&TC Section 205.5.)

**FISCAL EFFECT:** The State Board of Equalization (BOE), in its staff analysis of this bill, states that this bill would have no impact on General Fund revenues.

**COMMENTS:**

- 1) The author has submitted the following statement in support of this bill:

SB 82 establishes universal standards between counties on document requirements for the Disabled Veterans Property Tax Exemption. This clarification of acceptable documents will serve to remove arbitrary barriers to well-deserved benefits for our veterans and their families.

- 2) Writing in support of this bill, the California Assessors' Association notes, in part:

Currently, part of the application process to determine eligibility for this exemption is that the veteran must submit their letters of service-connected disability in printed or paper format. SB 82 will amend R&TC 205.5(f)(1) and *at the discretion of the submitter*, would also allow for the acceptance of electronically produced letters of service-connected disability. We believe it is our duty to continue to support our nation's disabled veterans and that we continue to adjust to the ever-changing times of technological advances and use them as a tool to support our communities.

- 3) *Modernizing the qualification process:* According to the author, a number of veterans have experienced frustration when certain assessors would not accept electronically generated USDVA letters for the purpose of qualifying for the disabled veterans exemption. In these instances, it was argued that a physical letter was required because digital letters created by the USDVA portal did not always include the dates and disability ratings necessary to verify the taxpayer is eligible for the exemption. This bill creates uniformity statewide by requiring a county assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability. However, assessors indicate that the USDVA is instituting a new system that will ensure this information is included in future electronically generated letters. As a result of this new system, this bill may not be necessary.
- 4) *Double referred:* The Assembly Rules Committee ordered a double referral of SB 82: first, to the Military and Veterans Affairs Committee and, second, to the Revenue and Taxation

Committee. SB 82 passed the Assembly Military & Veterans Affairs Committee with a vote of 9-0 on June 20, 2023.

- 5) *Related legislation:* AB 1361 (Hoover) authorizes a county assessor to provide a preliminary determination of a taxpayer's eligibility for the disabled veteran's property tax exemption in written or electronic form. AB 1361 is currently pending hearing by the Senate Military and Veterans Affairs Committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

American Legion, Department of California  
Amvets, Department of California  
California Association of County Veterans Service Officers  
California State Commanders Veterans Council  
Military Officers Association of America, California Council of Chapters  
Vietnam Veterans of America, California State Council

**Opposition**

None on file

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