

Date of Hearing: August 16, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

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

Policy Committee:	Military and Veterans Affairs	Vote:	9 - 0
	Revenue and Taxation		10 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: Yes

SUMMARY:

This bill requires a county assessor to accept from the United States Department of Veterans Affairs (USDVA) 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' property tax exemption.

FISCAL EFFECT:

Negligible costs to county assessors to accept an electronically generated service-connected disability letter in lieu of an original letter. While these costs are potentially reimbursable by the state, subject to a determination by the Commission on State Mandates, it is unlikely a county would submit a claim.

COMMENTS:

- 1) **Purpose.** According to the author, this bill establishes “universal standards between counties on document requirements for the Disabled Veterans’ Property Tax Exemption. This clarification will serve to remove arbitrary barriers to well-deserved benefits for our Veterans and their families.”
- 2) **Background.** The Constitution allows the Legislature to partially or wholly exempt from property tax the value of a disabled veteran’s principal place of residence that is owned by the veteran, the veteran's spouse, or the veteran and the veteran's spouse jointly, if the veteran is disabled as a result of injury or disease incurred in military service, or if the veteran has, as a result of a service-connected injury or disease, died while on active duty in military service. The property tax exemption is on that part of the full value of the residence that does not exceed \$100,000, or \$150,000 if the household income of the claimant does not exceed \$40,000, as adjusted for inflation, as specified.

Generally, a qualifying taxpayer can file a claim for the exemption when they receive a rating letter from the U. S. Department of Veterans Affairs (USDVA) indicating a 100% disability rating or that the disability compensation is at the 100% level. All claimants must provide:

- a) Proof of the veteran's disability, which is generally a letter from the USDVA.
- 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.

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, the assessors argued an original letter was required because the digital letters created by the USDVA portal did not include the dates and disability ratings necessary to verify these taxpayers are eligible for the exemption. However, according to the California Assessors' Association (CAA), the USDVA has recently updated its system so that all the pertinent information is contained in the electronic version of the letters. In addition, CAA indicates county assessors are already updating their acceptance policies.

This bill requires a county assessor to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability.

- 3) **Related Legislation.** AB 1361 (Hoover) authorizes a county assessor to provide, in written or electronic form, a determination of preliminary eligibility for the disabled veterans' property tax exemption. AB 1361 is pending on the Senate Floor.

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