

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS  
 Buffy Wicks, Chair  
 AB 2022 (Jeff Gonzalez) – As Amended April 29, 2026

Policy Committee:	Military and Veterans Affairs	Vote: 8 - 0
	Revenue and Taxation	7 - 0

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

**SUMMARY:**

This bill expands the disabled veterans’ property tax exemption for a veteran who is 100% disabled.

Specifically, this bill:

- 1) Exempts from property tax 50% of property owned by, and that constitutes the principal place of residence of, a veteran, the veteran’s spouse, or jointly held property, if the veteran is 100% disabled.
- 2) Provides a 100% exemption for such property in the case of a 100% disabled veteran or unmarried surviving spouse whose household income does not exceed \$40,000, as adjusted for the relevant assessment year.
- 3) Applies the exemptions for property tax lien dates occurring on or after January 1, 2027, but before January 1, 2032; provides that the existing disabled veterans’ exemption applies instead of the expanded exemptions if the property does not exceed \$200,000 of assessed value and the veteran’s household income exceeds \$40,000, as adjusted; and extends the exemptions to a veteran’s unmarried surviving spouse under certain conditions.
- 4) Requires the claimant to provide the county assessor with military documentation of the veteran’s disability rating to receive the exemption.
- 5) Declares the goal of the expanded exemption and requires, by June 1, 2027, and annually thereafter, the State Board of Equalization (BOE) to annually collect certain performance data from county assessors and report the data to the Legislature.

**FISCAL EFFECT:**

- 1) Property tax revenue loss of an unknown amount, potentially in the high tens of millions of dollars, by expanding the disabled veterans’ exemption. Although property tax is a local government revenue source and this bill prohibits the state from reimbursing local agencies for lost property tax revenues, reductions in property tax revenues, in turn, increase General Fund (GF) Proposition 98 spending by up to roughly 50% (the exact amount depends on the operative test of the annual Proposition 98 guarantee).
- 2) Likely minor and absorbable costs to the BOE to update related guidance and materials and report specified data to the Legislature.

- 3) Expanding the disabled veteran's exemption also requires county assessors to update claims forms and informational materials. Additionally, this bill's annual reporting requirement relies on information provided by county assessors to the BOE. By adding to the duties of county assessors in administering the exemption, this bill likely imposes a state-mandated local program with costs of an unknown amount to the state. Although assessors could potentially charge fees to cover costs, to the extent the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service on counties, a county could claim reimbursement of those costs.

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

#### COMMENTS:

- 1) **Purpose.** According to the author:

As a disabled veteran, I know firsthand the lifelong challenges that service-connected injuries can create, not only physically, but financially as well. Veterans who are rated 100% disabled often rely on fixed incomes and face significant barriers to employment, yet many still struggle to keep up with rising housing costs and property taxes in California. AB 2022 recognizes the sacrifices these veterans have made...helping ensure they can remain safely housed in the communities they call home.

- 2) **Disabled Veterans' Exemption.** Existing law authorizes a property tax exemption for the principal residence of a disabled veteran or for the unmarried surviving spouse of a deceased disabled veteran. For purposes of the exemption, the veteran must have been discharged under honorable conditions and the disability rating must be 100%, generally occurring for a veteran who is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. This exemption is commonly referred to as the "disabled veterans' exemption."

The property tax exemption amount is equal to the assessed value of the property, up to \$100,000 (the "basic" exemption). If household income does not exceed \$40,000, the maximum property tax exemption is increased to \$150,000 (the "low-income" exemption). The exemption amounts and income limitation are adjusted annually for changes to the California Consumer Price Index. For example, the adjusted income limitation for the 2026 lien date is \$81,131. This bill replaces the existing partial exemption with a 50% exemption for a 100% disabled veteran who qualifies for the basic exemption and a full exemption for a 100% disabled veteran who qualifies for the low-income exemption. This bill also provides that a veteran who qualifies for the basic exemption and would receive a greater exemption under the existing disabled veterans' exemption due to the value of their home continue to benefit from the existing exemption.

- 3) **Support and Opposition.** This bill is supported by the California Association of Realtors, which argues, "In an environment of increasing homeownership costs, this bill provides veterans who have served and sacrificed to the point of 100% disability, a measure of much-needed property tax relief and housing stability for themselves and their families."

This bill is opposed by education groups, with the California Teachers Association (CTA) arguing that while the policy may be well intended, “CTA does not support this approach, as it would reduce overall funding for education. CTA believes Proposition 98 should be protected from reductions through the creation of new or expanding existing tax expenditures.”

- 4) **Related Legislation.** SB 296 (Archuleta) provides a full property tax exemption for a 100% disabled veteran. SB 296 is pending on the Assembly Revenue and Taxation Committee’s suspense file.
- 5) **Prior Legislation.** SB 1357 (Archuleta), of the 2021-2022 Legislative Session, was similar to SB 296. SB 1357 was held on this committee’s suspense file.

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