Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
SB 296 (Archuleta) – As Amended July 1, 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 value of the disabled veterans' property tax exemption for a veteran who is 100% disabled.

Specifically, this bill:

1) Exempts from property tax 50% of the full value 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 $83,474, 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 $371,778 of assessed value and the veteran's household income exceeds $83,474, 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) Annual property tax revenue loss of approximately $197 million 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 (the exact amount depends on the operative test of the annual Proposition 98 guarantee).

2) Costs of approximately $8,000 in fiscal year 2026-27 and $3,000 annually thereafter to BOE to update related guidance and materials and report specified data to the Legislature (GF).

3) Expanding the disabled veteran's exemption also requires a county assessor to update claims forms and informational materials. Additionally, this bill's annual reporting requirement relies on information provided by county assessors to BOE. By adding to the duties of a county assessor in administering the exemption, this bill likely creates a state-mandated local program. If the Commission on State Mandates determines the provisions of this bill create a new program or impose a higher level of service for which the state must reimburse local costs, the county may seek reimbursement from the state (GF). The magnitude of such costs is unknown.

COMMENTS:

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

> Veterans, like all Californians, are feeling the pressure of rising housing costs…There are several states that waive property taxes for 100% disabled veterans, including Florida, Texas. Virginia, New Mexico, and Hawaii. As we look to the future, we must continue to ensure that we utilize every tool at our discretion to help keep veterans in their homes and in California.

   This bill is supported by veterans organizations, a taxpayer and a realtor association, the California Assessors' Association, and two individual counties.

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. 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) **Related Legislation.** AB 2022 (Jeff Gonzalez) is identical to this bill. AB 2022 is pending hearing by the Senate Appropriations Committee.

4) **Prior Legislation.** SB 888 (Seyarto) excludes service-connected disability payments from the calculation of household income when determining whether a veteran qualifies for the low-income exemption.

SB 1357 (Archuleta), of the 2021-2022 Legislative Session, would have provided a full property tax exemption for a 100% disabled veteran. SB 1357 was held on this committee's suspense file.

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