

Date of Hearing: July 15, 2025

**ASSEMBLY COMMITTEE ON MILITARY AND VETERANS AFFAIRS**

Pilar Schiavo, Chair

SB 54 (Umberg) – As Introduced January 7, 2025

**SENATE VOTE:** 38-0

**SUBJECT:** Court fee waivers: veterans.

**SUMMARY:** Excludes veterans disability service-connected compensation from the monthly household income calculation to determine eligibility for a court fee waiver for individuals at 200% or less of the federal poverty level (FPL).

**EXISTING LAW:**

- 1) Establishes that the uniform fee for filing the first paper in a civil action or proceeding in the superior court, other than in a limited civil case, an adoption proceeding, a proceeding under the Probate Code, or a proceeding under the Family Code, is \$355. (Government Code (GOV) § 70611 (a))
- 2) Recognizes that “our legal system cannot provide ‘equal justice under law’ unless all persons have access to the courts without regard to their economic means.” (GOV § 68630)
- 3) Requires the Judicial Council to create an application form with which a fee waiver applicant can present the necessary personal and financial information, under penalty of perjury, and request a fee waiver. (GOV § 68633)
- 4) Requires courts to grant an initial fee waiver to a person who, at any point in a proceeding, establishes eligibility for such a waiver. An initial fee waiver “excuses the applicant from paying fees for the first pleading or other paper, and other court fees and costs.” (GOV § 68630, 68631, 68634, 68634.5)
- 5) Requires an initial court fee to be waived for a litigant who satisfies any of the following:
  - a) Receives Supplemental Security Income (SSI) and/or State Supplementary Payment (SSP) benefits;
  - b) Receives California Work Opportunity, Responsibility to Kids Act (CalWORKs), and/or federal Tribal Temporary Assistance for Needy Families grants;
  - c) Receives Supplemental Nutrition Assistance Program (SNAP) and/or California Food Assistance Program benefits (CalFresh);
  - d) Receives County Relief, General Relief, and/or General Assistance benefits;
  - e) Receives Cash Assistance Program for Aged, Blind, and Disabled Legal Immigrants benefits;
  - f) Receives In-Home Supportive Services benefits;
  - g) Receives Medi-Cal benefits;
  - h) Receives Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) benefits;
  - i) Receives unemployment compensation;

- j) Has a monthly income of 200% or less of the current poverty guidelines set forth in the Federal Register by the United States Department of Health and Human Services;
  - k) Is determined by the court, on an individual basis, to be unable to pay for court fees without using monies that would normally pay for the common necessities of life for the applicant and the applicant's family. The court may also grant a partial fee waiver or order that the applicant pay fees over time if the court finds an arrangement to be equitable under the applicant's individual circumstances; or,
  - l) Is filing a petition for appointment of a fiduciary in a guardianship or conservatorship, or files pleadings as the appointed fiduciary of a conservatee or ward, when the financial condition of the conservatee or ward meets one of the criteria set forth in a) through k) above. (GOV § 68632 (a))
- 6) Requires the Judicial Council to annually update the fee tables for determining if a person's monthly income satisfies the requirements of 5) j) above for the purpose of obtaining a fee waiver. (GOV § 68632 (b))
- 7) Permits the court to reconsider or retroactively deny the fee waiver if the recipient's financial circumstances change or the court learns other information suggesting the recipient is not entitled to a fee waiver (GOV § 68630, 68636), or to recover previously waived fees if the applicant is the prevailing party entitled to fees under Civil Code section 1032 or recovered over \$10,000 in certain types of cases. (GOV § 68637)

**FISCAL EFFECT:** According to the Senate Appropriations Committee, according to the Judicial Council, while the exclusion of a veteran's disability service-connected compensation amount may allow for more veterans to be eligible for a court fee waiver, the courts anticipate a minor fiscal impact. The Judicial Council indicates that this bill does not create any fiscal concerns for the judicial branch. However, the Judicial Council notes that any identifiable impact to court revenues would be considered during annual budget negotiations and could be included in the ongoing backfill requests for the Trial Court Trust Fund.

**COMMENTS:**

- 1) **PURPOSE OF THIS BILL.** According to the author, this is an important bill that acknowledges the sacrifices of our disabled veterans by ensuring they aren't unfairly hindered from accessing our courts due to their disability compensation being counted as income, which currently can disqualify them from necessary court fee waivers. Disability compensation, earned from service-related injuries and crucial for covering essential medical care and living costs, should not be counted as income for court fee waivers, as it imposes an unjust obstacle to access justice for many disabled veterans facing various challenges. The author concludes that this bill corrects this inequity by excluding veterans' disability compensation from the calculation of monthly income for court fee waivers. This small but significant change would ensure that no disabled veteran is denied access to the legal system simply because of the benefits they rightfully earned through their service. It is a modest, compassionate step forward in honoring our commitment to those who have served.
- 2) **BACKGROUND.** In most cases, you have to pay a fee to file papers with the court. If you can't afford the filing fee, you can ask the court for a "fee waiver" to file for free. With a fee waiver, you also might not have to pay for certified copies, sheriff's service of process fees, or other costs related to starting a case, such as the cost for a court reporter to be at your trial. This waiver enables individuals whose financial situation might otherwise prevent them from

accessing the court system. To qualify, individuals generally need to be receiving public benefits, have a low income, or lack sufficient funds to cover both basic living expenses and court fees. Individuals may qualify if they receive public benefits like Medi-Cal, CalFresh, CalWORKs, SSI, SSP, or if their household income falls below a certain threshold. Current law sets that threshold at 200% or less of FPL or approximately \$31,000 for an individual. Existing law does not specify which income sources can be counted when determining an individual's annual income. Therefore, a veteran's disability benefits can be used in this determination.

Including U.S. Department of Veterans Affairs (VA) disability pay as income for other benefits calculations can negatively impact veterans, potentially reducing or eliminating eligibility for needs-based programs. While VA disability compensation is not taxable at the federal level, it can be considered income when determining eligibility for other assistance programs. This bill aims to ensure that veterans have access to the court system by providing that their disability benefits are not counted as income for court fee waivers. This recognition is essential, as these benefits are crucial for covering critical needs amidst California's high cost of living.

VA disability benefits are monthly, tax-free payments provided to eligible veterans who have a disability incurred or aggravated during active military service. These benefits are intended to compensate veterans for the impact of service-connected disabilities on their ability to earn a living. Veterans must have a disability that is service-connected, meaning it was caused by or worsened during their active military service. VA disability benefits can be awarded for both physical and mental health conditions, including PTSD. The VA assigns a disability rating (from 0% to 100%) based on the severity of the veteran's condition.

- 3) **SUPPORT.** Veterans Legal Institute, sponsor of this bill, states that California law currently sets financial thresholds for court fee waivers based on monthly income. Still, unfortunately, it counts veterans' disability compensation, an essential support for service-related conditions, resulting in many disabled veterans being disqualified from necessary court fee waivers that could alleviate their financial strain in pursuing justice. The American Legion-Department of California, California State Commanders Veterans Council, Military Officers Association of America-California Council of Chapters, and the Vietnam Veterans of America-California State Council all write in support of this bill. Supporters state that currently, court fee waivers are available to individuals who receive certain public benefits. Therefore, the state has recognized that individuals facing financial disadvantages should not be further financially disadvantaged when involved in court proceedings. Adding disabled veterans to this exemption is an obvious next step. The veterans who suffer from disabilities incurred while serving our country in the military should be afforded this exemption. The California Association of Licensed Investigators, also in support, states that this bill would provide that veterans' disability service-connected compensation would not be included in the determination of a veteran's income, enhancing access to the judicial system for our veterans.

#### 4) **RELATED LEGISLATION.**

- a) SB 1 (Seyarto) would have enacted the Military Services Retirement and Surviving Spouse Benefit Payment Act, which excludes two forms of military retirement income from state income tax. SB 1 is identical to the Governor's Budget proposal, but was held on the Senate Appropriations Suspense File.

- b) SB 23 (Valladares) would have enacted a full exemption from property tax for disabled veterans, using the same definitions that apply to the existing partial exemption. SB 23 was set for hearing in the Senate Military and Veterans Affairs Committee, but the hearing was cancelled at the request of the author.
- c) SB 56 (Seyarto) excludes service-connected disability income as household income when determining if the low-income veterans' property tax exemption applies. SB 56 is set for hearing in the Assembly Revenue and Taxation Committee on July 14, 2025.
- d) SB 296 (Archuleta) enacts a full exemption from property tax for disabled veterans, effective for lien dates starting on January 1, 2026, and ending January 1, 2036. SB 296 is set for hearing in the Assembly Revenue and Taxation Committee on July 14, 2025.
- e) SCA 4 (Archuleta) / SB 623 (Archuleta) amends the California Constitution to allow additional property tax benefits for taxpayers eligible for the disabled veterans' or veterans' exemptions from property tax. SCA 4 is pending referral in the Senate and SB 623 is pending hearing in the Senate Revenue and Taxation Committee.
- f) ACA 5 (Schiavo) is substantially similar to SCA 4. ACA 5 is pending referral in the Assembly.

## **5) PREVIOUS LEGISLATION.**

- a) AB 535 (Schiavo), Chapter 918, Statutes of 2024, prohibits a determination of whether a potential tenant is eligible for supportive, affordable, or transitional housing under the Veterans Housing and Homeless Prevention Act from considering a potential tenant's service-connected disability benefits, and modifies definitions of "secondary tenant" to conform to this exclusion.
- b) SB 726 of 2023 would have increased the disabled veterans' exemption from property taxation to \$863,790, and indexed the increased amount for inflation, for lien dates between January 1, 2024, and January 1, 2034. SB 726 was scheduled for a hearing in the Assembly Revenue and Taxation Committee, but the hearing was canceled at the request of the author.
- c) SCA 6 (Archuleta) / SB 871 (Archuleta) were substantially similar to SCA 4 and SB 623. SCA 6 passed the Senate but was never referred or heard in an Assembly Committee. SB 871 was set for hearing in the Assembly Revenue and Taxation Committee, but the Committee cancelled the hearing.
- d) AB 199 (Budget and Fiscal Review Committee), Chapter 57, Statutes of 2022, expanded eligibility for automatic waivers of filing fees by raising the income threshold from 125% to 200% of FPL, and included automatic eligibility of filing fee waivers for recipients of unemployment compensation, and recipients of WIC.
- e) SB 498 (Umberg), Chapter 688, Statutes of 2021, changed the definition of an "indigent person" eligible to be a client of an organization funded by the State Bar to provide free legal services by increasing the maximum eligible income from 125% to 200% of FPL. SB 498 also disregarded disability compensation to veterans with service-related

disabilities from the calculation of income to qualify as an indigent person for purposes of receiving free legal services.

- 6) **DOUBLE REFERRAL.** This bill is double referred, it passed the Assembly Judiciary Committee by a vote of 11-0 on June 17, 2025.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Veterans Legal Institute (sponsor)  
Amvets, Department of California  
California Association of Licensed Investigators  
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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