

Date of Hearing: August 20, 2025

**ASSEMBLY COMMITTEE ON APPROPRIATIONS**

Buffy Wicks, Chair

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

|                   |                               |       |        |
|-------------------|-------------------------------|-------|--------|
| Policy Committee: | Judiciary                     | Vote: | 11 - 0 |
|                   | Military and Veterans Affairs |       | 8 - 0  |

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

**SUMMARY:**

This bill excludes specified veterans benefits from a person's income for the purposes of determining whether the person qualifies for a court fee waiver.

**FISCAL EFFECT:**

Revenue loss (Trial Court Trust Fund, General Fund) to the courts of an unknown but potentially significant amount, possibly exceeding \$150,000 annually. Actual revenue loss will depend on the number of fee waivers granted to people made eligible by this bill who would otherwise pay applicable court fees and costs. The incidence of court filings by people who receive veterans benefits is unknown. By way of illustration, in fiscal year 2022-23, over one million civil, family, and probate cases were filed statewide. If 0.1% of these cases (approximately 1,000 cases) receive a waiver resulting from this bill, revenue to the courts would decrease by approximately \$435,000.

For its part, Judicial Council anticipates a "minor fiscal impact" resulting from this bill and reports 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. Increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The fiscal year 2025-26 state budget provides \$82 million ongoing General Fund to the Trial Court Trust Fund for court operations.

**COMMENTS:**

When a person files or responds to a civil lawsuit, existing law requires them to pay the court a filing fee. There are different fees for different types of filings. These fees are established by the Judicial Council and published in the Council's uniform filing fee tables. Depending on the type of filing, some of these fees can approach \$500, and some counties add surcharges that help pay for courthouse construction. Under existing law, a court must grant initial waivers for court fees and costs for people who receive certain public benefits, including supplemental Social Security Income, CalWORKS, and SNAP. The court must also grant waivers for a person whose income is 200% or less of the federal poverty level, which amounts to approximately \$31,000 annually for an individual.

According to the Veterans Legal Institute, writing in support of this bill:

California law defines financial thresholds for fee waiver eligibility based on an individual's monthly income. Unfortunately, this calculation includes veterans' disability compensation, an essential benefit intended to address medical and other accommodations related to conditions incurred during military service. By counting this compensation toward total monthly income, many disabled veterans find themselves disqualified from crucial fee waivers that would otherwise ease their financial burden in seeking justice through our court system.

Federal disability compensation is a monthly tax-free payment to a qualifying veteran who became sick or was injured while serving in the military, or whose military service made an existing condition worse. A person may qualify for these disability benefits for physical conditions (like a chronic illness or injury) or mental health conditions (like PTSD) that developed before, during, or after service. This bill specifies that, when determining whether a person's monthly income qualifies them for a court fee waiver, veterans disability service-connected compensation the person receives must be excluded from their income. In practice, this means more people who receive veterans disability benefits will qualify for court fee waivers.

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