



Legislative Bill Analysis

[Senate Bill 82](#) (Seyarto)

January 13, 2023 (Introduced)

Date: March 14, 2023 (Amended)

Program: Property Taxes 205.5

Revenue and Taxation Code Section 205.5

Effective: Immediately

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Analysis Date: March 21, 2023

Summary: Provides that the County Assessor shall accept an electronically generated letter of service-connected disability, in lieu of an original letter of service-connected disability, at the discretion of the claimant, for purposes of verifying eligibility for an exemption.

Fiscal Impact Summary: No impact. The State Board of Equalization (BOE) would incur an estimated \$1,051 in costs to inform County Assessors and the public of the new law.

Existing Law: Revenue and Taxation Code section [205.5](#) exempts fully or partially from property tax, the principal place of residence of a veteran, that is owned by the veteran, the veteran's spouse, or jointly by the veteran and the veteran's spouse, if the veteran because of injury or disease incurred in military service, is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. The exemption also applies to property that is owned by, and is the principal place of residence of, the unmarried surviving spouse of a deceased veteran if the deceased veteran qualified for the exemption during the veteran's lifetime or if the veteran died from a disease that was service connected as determined by the United States Department of Veterans Affairs (USDVA). This exemption is commonly referred to as the "disabled veterans' exemption". Revenue and Taxation Code (RTC) section 277¹ requires that anyone claiming the disabled veterans' exemption must file a claim with the County Assessor. Currently, a disabled veteran must have a disability rating of 100 percent to be eligible for the exemption; no partial exemption is allowed for a rating less than 100 percent.

Proposed Law:

Verifying Eligibility for Exemption. This bill amends RTC section 205.5 to provide that the County Assessor shall accept an electronically generated letter of service-connected disability, in lieu of an original letter of service-connected disability, at the discretion of the claimant, for purposes of verifying eligibility for a disabled veterans' exemption. "Letter of service-connected disability" means a letter from the USDVA that provides a benefit summary of the claimant's service-connected disability for purposes of claiming the disabled veterans' exemption.

In General: California law provides a qualified disabled veteran or their unmarried surviving spouse with a property tax exemption that applies to their principal residence's assessed value. Exemption eligibility provisions require that the claimant obtain a USDVA disability rating that either (1) rates the veteran's disability at 100 percent, or (2) rates the veteran's disability compensation at 100 percent because the veteran is unable to secure and maintain gainful employment.

The law also allows unmarried surviving spouses to receive the exemption if the spouse's death was service connected. In the case of a service-connected death, to be eligible for the exemption, surviving spouses must receive a USDVA determination that the spouse's death was service connected. A USDVA determination is

¹ [RTC section 277](#)

necessary for (1) active-duty personnel deaths (i.e., the service person was not a "veteran"), and (2) veterans without a 100 percent rating when alive, but whose cause of death is deemed service connected. Surviving spouses of veterans continue to receive the exemption after the veteran's death, so long as they do not remarry.

The law provides two levels of exemption, depending upon the claimant's income. For the 2023-24 fiscal year, the basic exemption adjusted for inflation will be \$161,083. However, if the claimant's income is less than \$72,335, the exemption amount will be \$241,627. For the 2022-23 assessment year, 68,114 disabled veterans, or their unmarried surviving spouses were granted the disabled veterans' exemption.

Commentary:

1. **Download Eligibility Letter.** The USDVA provides easy access on their website for veterans to download benefit related letters. The download is free, and the latest version of Adobe Acrobat Reader is required. Letters can also be downloaded on mobile devices.
2. **Related Legislation.** [AB 1361](#) (Hoover) proposes a procedure for filing a preliminary application for either the veterans' or disabled veterans' exemption. For a 10-year period, [SB 726](#) (Archuleta) proposes to add another disabled veterans' exemption in lieu of the existing exemption.

Costs: In relation to the writing of a Letter to Assessors and the posting of the letter to the website, the BOE would incur costs of approximately \$1,051.

Revenue Impact: No direct impact.