

JULY 25, 2023, MINUTES OF THE STATE BOARD OF EQUALIZATION VETERANS' EXEMPTION, DISABLED VETERANS' EXEMPTION, AND HOMEOWNERS' EXEMPTION BOARD WORK GROUP.

The Board Chairman convened the Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Board Work Group at 450 N Street, Sacramento, at 12:52 p.m., with Mr. Vazquez, Work Group Co-Chair, Ms. Lieber, Mr. Gaines, and Mr. Schaefer present, and Mr. Emran, present on behalf of Ms. Cohen.

Purpose: Co-Chair Vazquez and Co-Chair Lieber presided, summarizing the purpose of the Work Group to identify and address the challenges and issues facing state and local governments, nonprofit advocacy, educational and financial organizations, as well as homeowners, regarding the Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemptions.

Speakers who provided input and testimony: Hon. Kristine Lee, President, California Assessor's Association (CAA), and Kings County Assessor-Recorder-Clerk; Jim Zenner, Director, Military & Veterans Affairs, County of Los Angeles; Diana Love, Secretary, California Democratic Party and Chair of the Policy and Legislation Committee for the Veterans Caucus; Rev. Reuben Ford (Retired Pastor) and Member, Policy and Legislation Committee, California Democratic Party; Dana Nichol, Legislative Advocate for Veterans Service Organizations, Reeb Government Relations; and Scott Kaufman, Legislative Director, Howard Jarvis Taxpayers' Association.

Summary: Items on the agenda that were addressed included but were not limited to Current Challenges and Issues from Veterans' Organizations and State and Local Government Perspective, and Current Challenges and Issues from Nonprofit Advocacy, Educational, and Financial Perspective. In the interest of time, Item 2. Overview, History, and Current Benefit of Each Exemption and Qualification and Eligibility for Each was skipped.

Action: Executive Director Yvette Stowers will research possible Letters to Assessors and existing guidance regarding how to apply the Veterans' Organization Exemption to Veterans' Halls and property owned by nonprofit organizations.

The Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Board Work Group was adjourned at approximately 2:40 p.m.

REPORT ON JULY 25, 2023, STATE BOARD OF EQUALIZATION VETERANS' EXEMPTION, DISABLED VETERANS' EXEMPTION, AND HOMEOWNERS' EXEMPTION BOARD WORK GROUP.

1. IntroductionMr. Vazquez / Ms. Lieber

Hon. Antonio Vazquez, Co-Chair, Member, Third District

Chairman Vazquez discussed that BOE data regarding the Veterans' Exemption indicates it has become effectively obsolete, as well as challenges regarding the Disabled Veterans' Exemption (processing, eligibility, income levels, and surviving spouses), and issues regarding the application of the Homeowners' Exemption under Proposition 19

The intent of the Work Group is to understand all issues and challenges based on testimony and input from government agencies, nonprofit advocacy and support organizations, and veterans and homeowners who are heavily impacted. The goal is to fully examine all issues and develop recommendations that will lead to solutions – by legislation, Board regulation, or Board and Assessor policies or guidance.

Hon. Sally Lieber, Co-Chair, Member, Second District

Co-Chair Lieber noted that California has the largest statewide population of veterans in the U.S., but many are finding the need to leave California to move to other states – the principal receiving state is Texas in terms of affordability.

She stated that only 15 percent (approximately) of California veterans have a service-connected disability rating, and there's much the Board can do – and can work with counties with large populations of veterans to impact positive change. She is pleased to participate in an effort by the Board to effect change in connection with the legislative Veterans Committees and the Revenue and Taxation Committee.

**In the interest of time - Item 2. Overview, History, and Current Benefit of Each Exemption and Qualification and Eligibility for Each – was skipped. The next item after Item 1 was Item 3. Current Challenges and Issues from State and Local Government Perspective.*

3. Current Challenges and Issues from State and Local Government Perspective.

a. Veterans' and Disabled Veterans' Exemptions:

Jim Zenner, Director, Military & Veterans Affairs, County of Los Angeles

Mr. Zenner discussed and gave data on the greatest needs of the veterans. He submitted the California Veterans Service Officers 2023 Annual Report as a detailed statement of the data regarding veterans and services to veterans throughout the state.

Two key issues that they request the BOE to help address are:

1) More exemption assistance to enable County Veterans' Service Officers and Veterans' Organization properties to direct needed services and resources to veterans and their families in every county – especially housing, counseling, and jobs.

2) Support law changes to scale the standard of 100% disability for the Disabled Veterans' Exemption – so that this resource is partly available for those who have a partial disability. The current all-or-nothing standard is not helpful and leaves many disabled vets without assistance.

4. Current Challenges and Issues from Nonprofit Advocacy, Educational, and Financial Organizations' Perspective

a. Veteran's and Disabled Veterans' Exemptions

Rev. Reuben Ford (Retired Pastor) and Member, Policy and Legislation Committee, California Democratic Party

Reverend Ford discussed the great needs facing Vietnam veterans in terms of housing (as many are finding it difficult to stay in their homes) and needed services including those offered at veterans' halls.

Two key issues that BOE can help address are:

- 1) Scale the Disabled Veterans' Exemption to the percentage of a person's disability – so that a 75% disability rating would allow a 75% disabled veterans' exemption.
- 2) The Veterans' Organization exemption should protect all veterans' buildings from property tax. Some counties do it right with the tax being very little or none, and others send the Veterans' Organization a large property tax bill.

Dana Nichol, Legislative Advocate for Veterans Service Organizations, Reeb Government Relations

Mr. Nichol commented that the Disabled Veterans' Exemption is extremely important to our state's veterans, especially in light of the skyrocketing cost of housing and inflation. Also, any improvements on applying the Veterans' Organization Exemption for the property they own and use to provide services to veterans and their families and auxiliaries are greatly needed.

Five key issues that BOE can help address for them are:

- 1) A sliding scale for the Disabled Veterans' Exemption that is tied to veterans' disability ratings
- 2) Standardize eligibility standards across different counties by clarifying eligibility and state law to provide clear guidelines
- 3) Tie the Disabled Veterans Exemption to an index tied more closely to the housing market than the Consumer Price Index
- 4) Help educate and reach out to 100% service-connected disabled veterans (with assistance from the Federal VA) to provide information how they can obtain the exemption.
- 5) Provide clarification that the Veterans' Organization Exemption for Post Property and Veterans' Halls extends and all parts of their property that is chartered by Congress.

b. Homeowners' Exemption

Scott Kaufman, Legislative Director, Howard Jarvis Taxpayers' Association

Mr. Kaufman discussed issues related to the Homeowners', Veterans', and Disabled Veterans' Exemptions and current legislation that proposes potential solutions.

Three key issues that they encourage BOE to address are:

- 1) Many homeowners are unaware of the Homeowners' Exemption, with many homeowners still not claiming it. This is a major concern now that Prop. 19 requires the Homeowners' Exemption to be claimed within one year of the date of death or of any intergenerational (parent-child) transfer.

- 2) There is ambiguity about whether an individual confined to a care facility still qualifies for the Homeowner's Exemption – Board guidance on this is needed.
- 3) The Homeowners' Exemption can't be claimed along with any other real property tax benefit like the Veterans' Exemption – which is legislation that the Board should support.

5. Wrap-Up and Next Steps

**Due to time constraints related to the commencement of the Workforce Planning Board Work Group meeting, there was minimal commentary for this item – with only Co-Chair Lieber making concluding remarks regarding an issue discussed during the Work Group meeting.*

Hon. Kristine Lee, President, California Assessor's Association (CAA); and Kings County Assessor-Recorder-Clerk

President Lee emphasized the need for better information for all taxpayers, both disabled veterans and homeowners. Now that the law under Proposition 19 requires transferees to file for the homeowners' exemption within one year from the date of the property transfer, more education and proactive measures are needed to help them be aware of the need to file it and to do so timely.

Hon. Ted Gaines, Member, First District

Member Gaines asked the following questions: Would the BOE Taxpayer Rights Advocate (TRA) be able to address the taxpayer's question (which was read into the record regarding an Orange County home)? And would the Communications Director be able to help and perhaps place a prominent link to the Homeowner's Exemption on the BOE website?

Hon. Sally Lieber, Co-Chair, Member, Second District

Co-Chair Lieber discussed the need for a possible a Letter to Assessors or other guidance regarding the Veterans' Halls Property Tax Exemption to make it clear and consistent; and acknowledged consensus by other Board Members on this issue.