



**ANTONIO VAZQUEZ**  
CHAIRMAN  
CALIFORNIA STATE BOARD OF EQUALIZATION

**MEMORANDUM**

**Date:** June 16, 2023

**To:** Sally Lieber, Vice Chair  
Ted Gaines, Board Member, First District  
Mike Schaefer, Board Member, Fourth District  
Malia M. Cohen, State Controller

**From:** Antonio Vazquez, Chairman

**Re:** **June 27, 2023, Board Meeting Item 6. – Proposal to Establish a *Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Board Work Group.***

**Proposal Summary.**

Honorable Members, this is a proposal to establish a *Veterans', Disabled Veterans', and Homeowners' Exemption Board Work Group* (i.e., "*Veterans' and Homeowners' Exemption Board Work Group*") and to adopt an outline of the agenda items for the Board Work Group to consider for at least two sessions over the next few months. The Board Work Group is proposed to consist of each Board Member, the California Assessors' Association (CAA) and private and public sector stakeholders – including veterans', disabled veterans', and taxpayer organizations. Member Vazquez would serve as Board Work Group Chair and the Board Work Group Co-Chair will be named shortly. Every Member, however, is requested to be fully engaged and contact the county assessors and veterans', disabled veterans', and taxpayer organizations in their respective districts (and the Deputy Controller statewide), to ensure that all are invited to provide input.

**Background and Issue.**

California is home to approximately 1.4 million veterans, 28 percent of whom are disabled veterans, and over 7.26 million homeowners who are eligible to claim an exemption on their principal residence. The California Constitution establishes or authorizes all three types of exemptions, including a homeowners' exemption of \$7,000 of the full value of a principal residence, a veterans' exemption of \$4,000 for a veteran who meets certain military service requirements, and a disabled veterans' exemption of \$100,000 or \$150,000 for the principal place of residence of a veteran or a veteran's spouse, if the veteran, because of an injury incurred in military service, is blind in both eyes, has lost the use of 2 or more limbs, or is totally disabled, as those terms are defined, or if the veteran has, as a result of a service-connected injury or disease, died while on active duty in military service.

Not only is the Board of Equalization responsible for reviewing assessors' administration of exemptions and to issue rules, regulations, instructions, and forms relating to exemptions (Gov. Code, section 15600 (b)), but we are also required and accountable to report and submit data to the Governor and the legislature regarding the nature, extent, location, and amount of these exemptions annually.<sup>1</sup> In the past several years, the Board has reported data indicating that the use of the veterans' exemption has become effectively obsolete and numerous legislators have proposed solutions to address it.

In addition to the problem of the obvious inequity in the law between the amount of the veterans' exemption and the amount of the homeowners' exemption, other challenges and issues have surfaced that have also spurred various legislative proposals, both constitutional and statutory. Each exemption is implemented through different statutory provisions, requires different forms, documents, and signatures to be submitted by the claimants, and has differing requirements regarding time deadlines, rights of surviving spouses, and processing challenges. It is therefore timely and appropriate for the Board to establish a Board Work Group to fully examine all the issues and develop a strong set of recommended solutions with input from legislators, the Department of Veterans Affairs, veterans' and disabled veterans' organizations, taxpayer organizations, assessors, and the public.

### **Proposed Outline for the *Veterans', Disabled Veterans', and Homeowners' Exemption Board Work Group.***

The following is the proposed outline of an agenda to guide the Board Work Group and our fact-finding efforts and general scope of our review at upcoming meetings:

1. History, purposes, and current benefit issues regarding each exemption: veterans', disabled veterans', and homeowners'
2. Qualification and eligibility issues for each exemption: forms, statutes, rules, Letters to Assessors
3. Documentation and proof of eligibility – including signature issues
4. Processing issues – including timing from exemption claim submission to approval and annual proof of continued eligibility
5. Surviving spouses: eligibility, documentation, and other challenges
6. Recommended options: increasing benefits, educating potential claimants, streamlining processing, simplifying forms, etc.
7. Review and discussion of past and current legislation
8. Review and discussion draft report on Board Work Group findings and recommendations.

### **Scheduling and Next Steps.**

This proposal is to request the Board to convene the first Board Work Group at the July 25-26, 2023, Board Meeting in order to review the current nature, processing requirements, and extent of each exemption and to receive fact-finding input from interested state and local agencies, state legislators, veterans and disabled veterans' organizations, taxpayer organizations, and other stakeholders.

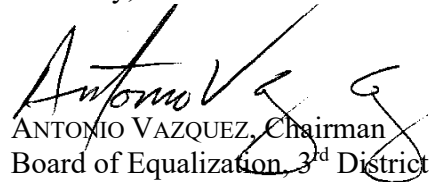
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<sup>1</sup> The Board's report shall show: (a) the assessed value of state-assessed and locally assessed real and personal property in each incorporated city or town; (b) information concerning other taxes it administers; (c) further information and suggestions as it shall deem proper. (Gov. Code, section 15616.)

This proposal would also request the Board to convene the second Board Work Group at the August 29-30, 2023, Board Meeting in order to fully engage with, and receive input from the CAA, individual county assessors, and other stakeholders and to examine the details of exemption procedures and hurdles and identify and recommend options for solutions.

Based on the information and data received, the Board Work Group will present a report to the Board and all participants for review, discussion, and ultimately approval at the October 24-25, 2023, Board Meeting. The report will summarize all findings and provide a set of timely recommendations for consideration by the Board, the legislature, the CAA, other agencies, organizations, and stakeholders.

Sincerely,



ANTONIO VAZQUEZ, Chairman  
Board of Equalization, 3<sup>rd</sup> District