



ANTONIO VAZQUEZ
MEMBER
CALIFORNIA STATE BOARD OF EQUALIZATION

MEMORANDUM

Date: March 28, 2024

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

From: Antonio Vazquez, Board Member, Third District

Re: **April 16, 2024, Board Meeting. Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Work Group: Submission of March 19, 2024, Meeting Minutes and Report.**

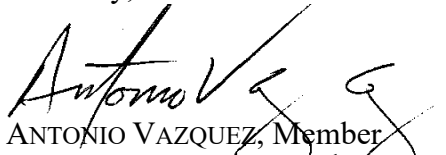
The Board reconvened the *Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Work Group* (i.e., "*Veterans' and Homeowners' Exemption Work Group*") consisting of the Board Members, County Assessors, and private and public sector stakeholders – including veterans', disabled veterans', and taxpayer organizations – on March 19, 2024. The goal was to receive input and engage in discussion that focused on follow-up and updates on past and pending challenges, including pending legislation and future initiatives, as indicated in the agenda.

The Board Members have consistently made it clear that the 1.4 million veterans, 28 percent of whom are disabled veterans, and the 7.26 million homeowners who are eligible to claim an exemption on their principal residence are of great value and importance to our state. As both the BOE and the County Assessors are responsible for the statutory implementation and administration of the exemptions set aside for veterans and homeowners, we have agreed to remain vigilant in addressing all challenges, standards, and procedures encountered.

The attached draft Minutes and Report of the *Veterans' and Homeowners' Exemption Work Group* meeting are hereby submitted for your review. As promised, I am continuing to work with Chair Lieber to engage in a full discussion with the Board and participants and to ultimately seek Board approval of the Minutes and Report at the May 29-30, 2024, Board Meeting, after your review is complete.

Thank you for your collaboration.

Sincerely,



ANTONIO VAZQUEZ, Member
Board of Equalization, 3rd District

Ms. Deborah Bautista-Zavala, Chief Deputy, Office of Member Antonio Vazquez
Mr. Douglas Winslow, Chief Deputy, Office of Chair Sally J. Lieber
Mr. Matt Cox, Chief Deputy, Office of Vice Chair Ted Gaines
Mr. Cody Petterson, Chief Deputy, Office of Member Mike Schaefer
Mr. Hasib Emran, Deputy State Controller
Ms. Yvette Stowers, Executive Director

MINUTES OF THE MARCH 19, 2024 STATE BOARD OF EQUALIZATION VETERANS' EXEMPTION, DISABLED VETERANS' EXEMPTION, AND HOMEOWNERS' EXEMPTION BOARD WORK GROUP

Member Vazquez convened the Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Work Group at 450 N Street, Sacramento, at approximately 2:46 p.m., with Mr. Vazquez, Work Group Co-Chair, Ms. Lieber, Work Group Co-Chair, 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 overall purpose of the Work Group meeting to follow up on the August 30, 2024, Work Group meeting and to determine the priorities of the Work Group for 2024-2025.

Speakers: Hon. Antonio Vazquez, Co-Chair, Member, Third District; Hon. Sally Lieber, Co-Chair, Member, Second District; Jim Zenner, Director, Los Angeles County Department of Military and Veteran Affairs; Antonio Castro, Jr., Chief Appraiser, Legal Services and Major Exemptions Division, Los Angeles County Assessor's Office; Reuben Ford, Senior Pastor, Veterans Caucus Member, Vietnam Veteran; Scott Kaufman, Legislative Director, Howard Jarvis Taxpayers Association; Nicolas Gauthier, Capitol Director, representing Hon. Kelly Seyarto, Senate Member, California State Senate District 32; James Espinoza, President, The Veteran Mentor Project, Inc.

Summary: All items on the agenda were addressed.

The Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption Board Work Group was adjourned at approximately 4:39 p.m.

REPORT ON THE MARCH 19, 2024 STATE BOARD OF EQUALIZATION VETERANS' EXEMPTION, DISABLED VETERANS' EXEMPTION, AND HOMEOWNERS' EXEMPTION BOARD WORK GROUP.

1. Greetings and Introductory Remarks Mr. Vazquez / Ms. Lieber

Mr. Vazquez expressed gratitude for the speakers' presence and participation in the Work Group and stated that the purpose of the Work Group meeting was to follow up on the previous Work Group meeting held on August 30, 2023, and to determine the priorities for 2024-2025.

Ms. Lieber thanked the speakers for their presence and emphasized the importance of the Work Group for addressing the needs of veterans.

2. Review and Follow Up on Findings and Continuing Challenges Regarding the Individual Exemptions as Identified in the 2023 Board Work Group meetings.....Mr. Vazquez / Ms. Lieber

This Board Work Group meeting was to take up issues, receive input, and discuss progress regarding the Veterans' Exemption, Disabled Veterans' Exemption, and Homeowners' Exemption for fact-finding, investigation, and potential solutions. The Work Group invited input from all stakeholders, including, but not limited to state and local government agencies, County Assessors, veterans, veterans' organizations, homeowners' nonprofit organizations, individuals, and other interested parties.

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

Mr. Vazquez specified that this Work Group meeting would cover the Veterans', Disabled Veterans', and Homeowners' Exemptions, and any issues related to qualifying or applying for these exemptions. The Veterans' Organization Exemption would not be addressed in this Work Group meeting because Executive Director Yvette Stowers and the BOE Legal Department were still working on provided updated guidance, as recommended during the August 2023 Work Group meeting.

3. Discussion of Pending or New Local Efforts and Statewide Legislative Proposals Regarding Veterans, Disabled Veterans, and Homeowners' Exemptions. ...Mr. Vazquez / Ms. Lieber

Jim Zenner, Director, Los Angeles County Department of Military and Veteran Affairs

Mr. Zenner gave an update on veterans' issues in Los Angeles County; namely, he stated that his organization serves between 10,000 to 12,000 veterans annually and all veterans are now requiring more assistance due to ongoing financial difficulties and the current economic climate. Over 50% of the veterans are age 65 or older. Community partners like the American Legion and Veteran Service Organizations are crucial in providing temporary financial assistance. Mr. Zenner also highlighted the issue of unaccredited veterans' organizations that are unlawfully charging veterans for services they would otherwise receive for free from authorized veterans' organizations and government agencies (including the Board), and voiced support for SB 1124 (Menjivar), which seeks to protect veterans from claim sharks. Mr. Zenner also emphasized the need for increased outreach by the Board and other authorized organizations to veterans at the county level to inform veterans of the earned benefits to which they are entitled, as well as accessibility to accredited veteran resource centers.

Antonio Castro, Jr., Chief Appraiser, Legal Services and Major Exemptions Division, Los Angeles County Assessor's Office

Mr. Castro gave an update on data collected from 2017 to 2021 concerning the approximately 1.5 million veterans living in California, including a breakdown of veterans who served in World War II, the Korean War, and the Vietnam War. Mr. Castro emphasized the importance of community outreach to inform these veterans of the property tax exemptions available to them, as many are unaware of the details. Mr. Castro also discussed current legislation affecting the Veterans' Property Tax Exemption, including the following: SB 871 (Archuleta), which would allow veterans to claim both the Veterans' and Homeowner's Property Tax Exemptions; AB 1361 (Hoover), which provides a preliminary determination (i.e., before purchasing a property) of whether a property is eligible for the Veterans' Exemption; and SB 82 (Seyarto), which requires County Assessors to accept an electronically generated letter of service-connected disability in lieu of an original letter of service-connected disability for purposes of verifying the Disabled Veterans' Exemption.

Reuben Ford, Sr. Pastor, Veterans Caucus Member, Vietnam Veteran

Mr. Ford discussed the high cost of living in California and how it is impacting veterans living here, and emphasized that the current cost of living adjustment provided by the Department of Veterans Affairs is insufficient for veterans residing in California. Mr. Ford also discussed and advocated Board support for SB 726 (Archuleta), which would allow veterans with a 100-percent disability rating to claim an exemption for the full value of their principal residence up to a certain assessed value, with adjustments for inflation each year. Mr. Ford highlighted

the importance of collecting data on the number of veterans and disabled veterans in each county to better estimate the real cost of this bill and also to better serve veterans on a county-by-county basis.

Scott Kaufman, Legislative Director, Howard Jarvis Taxpayers Association

Mr. Kaufman discussed SCA 6 (Archuleta), which would allow a dwelling that receives the Veterans' Exemption or Disabled Veterans' Exemption to also receive the Homeowners' Exemption. Mr. Kaufman also discussed the concerns over the cost of SCA 6, estimated at \$28 million a year, indicating that the data may need to be re-evaluated based on the actual number of qualifying veteran homeowners.

Nicolas Gauthier, Capitol Director, representing Hon. Kelly Seyarto, Senate Member, California State Senate District 32

Mr. Gauthier discussed the following two bills that need support: (1) SB 911, which excludes \$20,000 of survivor benefits received under federal Survivor Benefit Plan from taxable gross income; and (2) SB 916, which extends the California Veteran Fee Waiver to also include extended education courses that fulfill an undergraduate degree program in California public universities. Mr. Gauthier also expressed that Senator Seyarto is interested in doing additional work on the Veterans' and Disabled Veterans' Property Tax Exemptions in that veterans are moving out of California at a significant rate to more tax friendly states; and as a result, an estimated \$40 million in federal benefits annually that could be spent and taxed in our state is being lost.

James Espinoza, President, The Veteran Mentor Project, Inc.

Mr. Espinoza discussed Proposition 1 and how it will restructure the use of existing tax revenue to address behavioral health (mental health and addiction) and homelessness issues in California. It will create 11,000 new beds and it will free up \$1 billion to support veterans. Because Proposition 1 was not passed at the time of the Work Group meeting, Mr. Espinoza offered to reach out to the authors of Proposition 1 if the Board had any technical or follow-up questions. Mr. Espinoza also emphasized the importance of veterans' services to support veterans in their mental, physical, and financial health as well as providing homes for veterans in need. Moreover, Mr. Espinoza stated that when veterans continue to be ostracized and they don't have mental health services, that's when they end up in crisis, become homeless, or refuse or become unable to seek help.

4. Assessors' and Stakeholders' Recommendations for Future Initiatives Regarding Veterans, Disabled Veterans, and Homeowners' Exemptions Mr. Vazquez / Ms. Lieber

Antonio Castro, Jr., Chief Appraiser, Legal Services and Major Exemptions Division, Los Angeles County Assessor's Office

Mr. Castro stated that he will bring up the issues of the Veterans' and Disabled Veterans' Exemptions at the next conference of the California Assessors' Administrative Services Association (CAASA). Mr. Castro also reiterated the importance of community outreach to inform veterans of the exemptions available to them.

Reuben Ford, Sr. Pastor, Veterans Caucus Member, Vietnam Veteran

Mr. Ford discussed the large number of veterans in California and the challenge of navigating the different types of veterans' benefits; and requested the Board to continue in its efforts to help address these.

Scott Kaufman, Legislative Director, Howard Jarvis Taxpayers Association

Mr. Kaufman discussed the possibility of increasing the Homeowners' Exemption, since very few people claim the Veterans' Exemption. Mr. Kaufman acknowledged that there are limitations on raising the Homeowners' Exemption that likely involve raising taxes to sufficiently backfill revenue lost by counties as a result of the exemption being increased; and the renters' exemption would also have to be raised. Other possibilities included combining the Veterans' and Homeowners' Exemptions, such as that set forth in SCA 6 and SB 871, which would be a less costly and positive step forward.

5. Wrap-Up and Next Steps..... Mr. Vazquez / Ms. Lieber

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

Mr. Vazquez expressed his gratitude to all speakers for their participation in the Work Group meeting and for their input of relevant data and pending legislation, which will help determine the Work Group's priorities in 2024-2025.

Member Vazquez adjourned the Work Group at 4:39 p.m.