



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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December 27, 1988

CINDY RAMBO
Executive Director

No. 88/85

TO COUNTY ASSESSORS:

PROPOSITION 93: VETERANS' AND DISABLED VETERANS' EXEMPTIONS

Proposition 93, which was passed by the voters in the November 8, 1988 election, along with its enabling legislation, Senate Bill 726 (Chapter 411, Statutes of 1988), changed the residency requirements for both the Veterans' Exemption and the Disabled Veterans' Exemption. The law now requires only that claimant reside in the State on the current lien date. The new law will affect supplemental assessments where the date of the change in ownership or completion of new construction is November 9, 1988, or later, as well as the 1989-90 regular roll assessments. Veterans' Exemption and Disabled Veterans' Exemption Claim forms are being revised accordingly and will be sent to you shortly.

Since the election we have received numerous phone calls from assessors' staffs and potential claimants. Virtually all inquiries concerned the following:

1. The ballot and election pamphlets discussed a \$1,000 rather than a \$4,000 veterans' exemption. In 1981 when the assessment ratio was changed from 25 percent of market value to 100 percent of market value, the amount of exemption was changed from \$1,000 to \$4,000 to maintain the same proportionate values (see California Constitution, Article XIII, Section 3.5 and Revenue and Taxation Code Section 205.1).
2. Only the residency requirement was revised. All other requirements for the veterans' exemption remain. The veteran must have served in time of war or in a campaign or expedition as specified in Section 205, Revenue and Taxation Code, and the \$5,000 (\$10,000 if married) asset limits still apply.
3. The Veterans' Exemption cannot be allowed on property receiving the homeowners' exemption and vice versa. However, a claimant receiving the homeowners' exemption on a low-value dwelling may receive the veterans' exemption on other property such as a boat or business personal property.
4. An eligible claimant may receive the veterans' exemption on an assessable mobilehome in a park and also receive the renter's credit on the space rental.
5. The ballot and election pamphlets discussed only the veterans' exemption. However, Section 205.5(b) of the Revenue and Taxation Code states:

"(b) For purposes of this section, 'veteran' is defined as specified in subdivision (o) of Section 3 of Article XIII of the Constitution without regard to any limitation contained therein on the value of property owned by the veteran or the veteran's spouse."

In addition, Senate Bill 726 (Chapter 411, Statutes of 1988) revised the residency requirement in Section 205.5(c) in the event the ballot initiative passed. Thus, in passing Proposition 93, the electorate revised the residency requirements for both the Veterans' Exemption and the Disabled Veterans' Exemption.

Due to the asset limits and the more valuable homeowners' exemption, we do not expect much increase in the number of Veterans' Exemption claims. However, you may see an increase in the number of Disabled Veterans' Exemption Claims as people become more aware.

We trust this resolves most of the immediate issues raised. Additional guidelines will be provided as necessary. If further assistance is needed, please contact Bill Minor of this office at (916) 445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

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