



**STATE BOARD OF EQUALIZATION
STAFF LEGISLATIVE BILL ANALYSIS**

DRAFT

Date Amended:	04/02/09	Bill No:	AB 1341
Tax:	Property	Author:	Saldana
Related Bills:			

BILL SUMMARY

This bill, related to the Disabled Veterans' Property Tax Exemption, deletes obsolete references to prior exemption amounts that have since been increased and corrects a transposition error within that section that intends a cross reference to Section 4985.

ANALYSIS

CURRENT LAW

Existing Revenue and Taxation Code Section 276 provides a "disabled veterans' exemption" to reduce the property tax assessed value of the home of qualified veterans or their surviving unmarried spouse. The disabled veterans' exemption is also available to the surviving spouse of a person who has died as a result of a service connected injury or death while on active duty in military service.

The amount of the exemption depends upon the claimant's income:

- The basic exemption amount is \$100,000 with annual increases for inflation. For 2009, the exemption is \$114,634.
- The low-income exemption is \$150,000 with annual increases for inflation. For 2009, the exemption is \$171,952 for those with a household income below \$51,478.

A claim must be filed with the local county assessor to receive the exemption. If filing for the basic exemption, a claim need only be applied for once. The low-income exemption requires a claim to be filed each year to verify income eligibility. The annual filing period is between January 1 and February 15. However if a claim is filed after the deadline, the exemption can still be received at a reduced level as outlined in Section 276.

In 1989, the exemption amounts were increased from \$40,000 and \$60,000 to \$100,000 and \$150,000, respectively, but with a sunset clause that would have automatically reduced the exemption amounts to the prior levels. However, the increased exemption amounts were made permanent through SB 320 (Stats. 1989, Ch. 1077, Royce) and SB 2195 (Stats. 2000, Ch. 1086, Soto).

PROPOSED LAW

This bill amends Section 276 to delete a reference to outdated exemption amount levels as a housekeeping measure.

This bill also corrects a transposition error in Section 276 intending a cross reference to Section 4985, rather than Section 4895, relating to the provisions of law for cancelling taxes due. In some cases, to grant a disabled veterans' exemption for a late-filed claim, a cancellation of property taxes outstanding is necessary.

BACKGROUND

This provision was contained in last year's SB 1777 (SR&T) which was vetoed by the Governor, along with other measures, with the following veto message:

The historic delay in passing the 2008-2009 State Budget has forced me to prioritize the bills sent to my desk at the end of the year's legislative session. Given the delay, I am only signing bills that are the highest priority for California. This bill does not meet that standard and I cannot sign it at this time.

COMMENT

Sponsor and Purpose. The author is sponsoring this provision to delete obsolete references to the disabled veterans' exemption amounts and correct a transposition error.

COST ESTIMATE

The Board would incur some minor absorbable costs in informing and advising county assessors, the public, and staff of the law changes and addressing ongoing implementation issues and questions. These costs are estimated to be under \$10,000.

REVENUE ESTIMATE

This bill has no revenue impact.

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This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the Board's formal position.