

**Introduced by Senator Archuleta**  
**(Coauthors: Senators Hurtado and Seyarto)**  
(Coauthor: Assembly Member Schiavo)

February 20, 2025

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An act to amend Section 218 of the Revenue and Taxation Code, relating to property taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 623, as introduced, Archuleta. Property taxation: homeowners', veterans', and disabled veterans' exemptions.

The California Constitution declares that all property is taxable and establishes or authorizes various exemptions from tax for real property, including a homeowners' exemption in the amount of \$7,000 of the full value of a dwelling that may be applied unless the dwelling receives another real property exemption. The California Constitution and existing property tax law establish a veterans' exemption in the amount of \$4,000, as specified, for a veteran who meets certain military service requirements, and generally exempts from property taxation the same value of property of a deceased veteran's unmarried spouse and parents. The California Constitution and existing property tax law establish a disabled veterans' exemption in the amount of \$100,000 or \$150,000 for the principal place of residence of a veteran or a veteran's spouse, as specified.

Existing property tax law establishing the homeowners' exemption specifies that the exemption may not be applied to a property on which the owner receives the veterans' exemption.

This bill would provide that if Senate Constitutional Amendment \_\_\_\_ is approved by the voters at the statewide general election scheduled for November 3, 2026, then commencing January 1, 2025,

notwithstanding that prohibition, the homeowners' exemption also applies to property on which an owner receives the veterans' exemption or the disabled veterans' exemption. By imposing additional duties on local tax officials, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law requires the state to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation.

This bill would provide that, notwithstanding those provisions, no appropriation is made and the state shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.

This bill would take effect immediately as a tax levy.

Existing law contains provisions related to elections and voting, including a requirement that a constitutional amendment submitted to the people by the Legislature appear on the ballot of the first statewide election occurring at least 131 days after the adoption of the proposal by the Legislature and that the Secretary of State mail state voter information guides to voters.

This bill would require the Secretary of State, notwithstanding specified provisions of existing law relating to elections and voting, to submit Senate Constitutional Amendment \_\_\_\_ of the 2025–26 Regular Session to the voters for their approval at the statewide general election scheduled for November 3, 2026.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 218 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 218. (a) The homeowners' property tax exemption is in the
- 4 amount of the assessed value of the dwelling specified in this
- 5 section, as authorized by subdivision (k) of Section 3 of Article
- 6 XIII of the California Constitution. That exemption shall be in the
- 7 amount of seven thousand dollars (\$7,000) of the full value of the
- 8 dwelling.

1 (b) (1) ~~The~~(A) *Except as provided in subparagraph (B), the*  
2 *exemption does not extend to property that is rented, vacant, under*  
3 *construction on the lien date, or that is a vacation or secondary*  
4 *home of the owner or owners, nor does it apply to property on*  
5 *which an owner receives the veterans' exemption.*

6 (B) *Notwithstanding subparagraph (A), if Senate Constitutional*  
7 *Amendment \_\_\_\_ of the 2025–26 Regular Session is approved by*  
8 *the voters at the statewide general election scheduled for November*  
9 *3, 2026, then commencing January 1, 2027, the exemption applies*  
10 *to property on which an owner receives the veterans' exemption*  
11 *described in Section 205 or the disabled veterans' exemption under*  
12 *Section 205.5.*

13 (2) Notwithstanding paragraph (1), if a person receiving the  
14 exemption is not occupying the dwelling on the lien date because  
15 the dwelling was damaged in a misfortune or calamity, the person  
16 shall be deemed to occupy that same dwelling as their principal  
17 place of residence on the lien date, provided the person's absence  
18 from the dwelling is temporary and the person intends to return to  
19 the dwelling when possible to do so. Except as provided in  
20 paragraph (3), when a dwelling has been totally destroyed, and  
21 thus no dwelling exists on the lien date, the exemption provided  
22 by this section shall not be applicable until the structure has been  
23 replaced and is occupied as a dwelling.

24 (3) A dwelling that was totally destroyed in a disaster for which  
25 the Governor proclaimed a state of emergency, that qualified for  
26 the exemption provided by this section prior to the commencement  
27 date of the disaster and that has not changed ownership since the  
28 commencement date of the disaster, shall be deemed occupied by  
29 the person receiving the exemption on the lien date provided the  
30 person intends to reconstruct a dwelling on the property and occupy  
31 the dwelling as their principal place of residence when it is possible  
32 to do so.

33 (4) Notwithstanding paragraph (1), if a person receiving the  
34 exemption is not occupying the dwelling because they are confined  
35 to a hospital or other care facility, the person shall be deemed to  
36 occupy that dwelling as their principal place of residence, provided  
37 that all of the following conditions are met:

38 (A) The person would occupy the dwelling if they were not  
39 confined to the hospital or other care facility.

1 (B) The person intends to return to the dwelling when possible  
2 to do so.

3 (C) The dwelling is not rented or leased to a person that is not  
4 described in Section 267(c)(4) of Title 26 of the United States  
5 Code.

6 (c) For purposes of this section, all of the following apply:

7 (1) "Owner" includes a person purchasing the dwelling under  
8 a contract of sale or who holds shares or membership in a  
9 cooperative housing corporation, which holding is a requisite to  
10 the exclusive right of occupancy of a dwelling.

11 (2) (A) "Dwelling" means a building, structure, or other shelter  
12 constituting a place of abode, whether real property or personal  
13 property, and any land on which it may be situated. A two-dwelling  
14 unit shall be considered as two separate single-family dwellings.

15 (B) "Dwelling" includes the following:

16 (i) A single-family dwelling occupied by an owner thereof as  
17 their principal place of residence on the lien date.

18 (ii) A multiple-dwelling unit occupied by an owner thereof on  
19 the lien date as their principal place of residence.

20 (iii) A condominium occupied by an owner thereof as their  
21 principal place of residence on the lien date.

22 (iv) Premises occupied by the owner of shares or a membership  
23 interest in a cooperative housing corporation, as defined in  
24 subdivision (i) of Section 61, as their principal place of residence  
25 on the lien date. Each exemption allowed pursuant to this  
26 subdivision shall be deducted from the total assessed valuation of  
27 the cooperative housing corporation. The exemption shall be taken  
28 into account in apportioning property taxes among owners of shares  
29 or membership interests in the cooperative housing corporations  
30 so as to benefit those owners who qualify for the exemption.

31 (d) The exemption provided for in subdivision (k) of Section 3  
32 of Article XIII of the California Constitution shall first be applied  
33 to the building, structure, or other shelter and the excess, if any,  
34 shall be applied to any land on which it may be located.

35 SEC. 2. No reimbursement is required by this act pursuant to  
36 Section 6 of Article XIII B of the California Constitution because  
37 the duties imposed on a local agency or school district by this act  
38 are necessary to implement, or were expressly included in, a ballot  
39 measure approved by the voters in a statewide or local election,  
40 within the meaning of Section 17556 of the Government Code.

1 SEC. 3. Notwithstanding Section 2229 of the Revenue and  
2 Taxation Code, no appropriation is made by this act and the state  
3 shall not reimburse any local agency for any property tax revenues  
4 lost by it pursuant to this act.

5 SEC. 4. Notwithstanding the requirements of Sections 9040,  
6 9043, 9044, 9061, 9082, and 9094 of the Elections Code, or any  
7 other law, the Secretary of State shall submit Senate Constitutional  
8 Amendment \_\_\_\_ of the 2025–26 Regular Session to the voters  
9 for their approval at the statewide general election scheduled for  
10 November 3, 2026.

11 SEC. 5. This act provides for a tax levy within the meaning of  
12 Article IV of the California Constitution and shall go into  
13 immediate effect.