

SB 663 (JONES) PROPERTY TAXATION: EXEMPTIONS: VETERANS' ORGANIZATIONS

POSITION: The Chamber's Public Policy Sub-Committee on Defense, Veterans & Military Affairs voted to SUPPORT the bill on May 1, 2019. The Chamber's Public Policy Committee voted to SUPPORT the bill on May 14, 2019. The Chamber's Board of Directors voted to SUPPORT the bill on May 23, 2019.

RATIONALE: Supporting veteran organizations is an important components of ensuring veterans experience successful transitions from active duty.

STATUS: SB 663 was introduced by Senator Brian Jones on February 22, 2019 and was placed in the suspense file by the Senate Appropriations Committee in May.

SUMMARY

SB 663 clarifies that the "welfare" property tax exemption under current law extends to veterans' organizations that are social clubs, such as VFWs or American Legions, with the idea that these facilities can aid in the successful transition from active duty to civilian life for service members.

Current law clearly allows for the Legislature to exempt property used *exclusively* for religious, hospital, or charitable purposes. Since VFWs and American Legions often have many uses, including social ones, these veteran halls do not receive the exemption. Most veterans' organizations who apply for an exemption only receive partial exemption for the office area and counseling rooms. This bill would not apply to the section of the facility where alcohol is served at a bar.

INDUSTRY/IES IMPACTED

Social/recreation clubs will be impacted by this bill.

SUPPORTERS

- American Legion – Department of CA (sponsor)
- American GI Forum of California
- AMVETS- Department of California
- California Assessors' Association
- CA Assoc. of County Veterans Service Officers
- California State Commanders Veterans Council
- National Guard Association of California
- Vietnam Veterans of America CA State Council

OPPONENTS

None known.

ARGUMENTS IN FAVOR

- Social clubs such as VFWs or American Legions can aid in the successful transition for servicemembers.
- According to the Senate Veterans Affairs Committee analysis, "veterans' groups seek clarity that property owned by VFW and the American Legion that serve veterans' unique need should be eligible for the welfare exemption from property tax."

ARGUMENTS IN OPPOSITION

While the intent is laudable, there are many organizations and populations that deserve and need help. This bill does not demonstrate fairness with all populations.