

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1971 (Bennett) – As Amended April 22, 2026

Policy Committee: Revenue and Taxation Vote: 7 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill requires the State Board of Equalization (BOE) to clarify that a home hardening retrofitting improvement to an existing structure is considered non-assessable repair and maintenance under certain conditions.

Those conditions are that the home hardening retrofitting improvement does not add square footage, change the property's use, include structural reconfiguration, or include substantial rehabilitation.

This bill defines "home hardening retrofitting improvement" as an improvement that complies with the provisions of the most recent edition of Chapters 5 and 6 of the California Wildland-Urban Interface (WUI) Code or a successor chapter.

FISCAL EFFECT:

- 1) Potential property tax revenue loss of an unknown amount, potentially in excess of \$300,000, to the extent this bill results in certain improvements being considered non-assessable repair and maintenance that are otherwise assessable. While the conditions specified in this bill are generally non-assessable events, ultimately, the county assessor is responsible for determining what is an assessable improvement and what is non-assessable repair or maintenance. Although property tax is a local government revenue source, reductions in property tax revenues, in turn, increase General Fund (GF) Proposition 98 spending by up to roughly 50% (the exact amount depends on the operative test of the annual Proposition 98 guarantee).
- 2) Costs of an unknown amount to the BOE, as it is not clear how the BOE must "clarify" this consideration of non-assessable repair and maintenance. For its part, the BOE anticipates minor and absorbable costs related to assessor notifications and other updates. However, to the extent providing clarification requires the BOE to undertake a more direct and intensive role in communicating to the public how home hardening retrofitting improvements are assessed, such costs could be potentially significant, in excess of \$150,000 (GF).

The Legislative Analyst's Office recently warned of GF structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

As climate change intensifies the frequency of destructive wildfires across California, the necessity to hardening homes against ember storms has become critical. AB 1971 incentivizes home hardening by ensuring that these essential retrofits do not trigger property tax reassessment. By removing the uncertainty of how a homeowner's taxes will be reassessed, the state encourages homeowners to take meaningful steps to protect their property.

This bill is supported by building associations, wildfire management companies, and The Nature Conservancy.

2) **Background. Home Hardening.** Home hardening includes vegetation management compliance and building materials used to resist the intrusion of flames or embers projected by a wildland fire. California Building Standards Code Chapter 7A provides for ignition resistant construction standards, such as fire-resistant siding, tempered glass, and ignition-resistant roofs, that must be applied to new construction or when retrofitting an older home in the WUI. There are numerous other state programs related to home hardening, such as the Safer from Wildfires framework and California Safe Homes Grant Program administered by the Insurance Commissioner, and the California Wildfire Mitigation Program administered jointly by the Office of Emergency Services and Department of Forestry and Fire Protection (CAL FIRE).

BOE Guidance. Existing law provides that new construction to real property is generally considered assessable, unless the construction is specifically excluded from the definition of "new construction" in the state constitution. The BOE promulgates regulations regarding the statutory definition of new construction in Property Tax Rule 463. Under the rule, one type of new construction not considered assessable is the repair and maintenance of existing features of the property. Alterations are assessable if the alteration rehabilitates the property to a like-new condition or converts the property to a different use.

The BOE's Assessors' Handbook also provides direction to county assessors on how to administer property tax law. According to Section 410 of the Assessors' Handbook, the "installation of a new shake roof that replaces an existing composition shingle roof" or "replacements or repairs that are periodically required during the life of the improvement, such as replacement of rain gutters" are all improvements considered normal maintenance that do not constitute assessable new construction. As noted in the Assembly Revenue and Taxation Committee's analysis of this bill:

An important caveat is that property purchased in a poor condition and rapidly improved is considered assessable. Section 410 notes the "timing and scope of work must be considered to determine when maintenance and repair becomes rehabilitation and renovation that brings an improvement (or a portion) to the substantial equivalent of new." Ultimately, however, the assessor is responsible for determining what is an assessable improvement and what is non-assessable repair or maintenance.

This bill requires the BOE to clarify that a home hardening retrofitting improvement to an existing structure is considered non-assessable repair and maintenance provided that the improvement does not add square footage, change the property's use, include structural reconfiguration, or include substantial rehabilitation. However, there may be certain home hardening retrofitting improvements undertaken by a property owner that meet the conditions specified in this bill, but would still qualify as assessable new construction due to other factors, potentially leading to further taxpayer confusion and frustration.

- 3) **Related Legislation.** AB 1143 (Bennett) requires the State Fire Marshal's (SFM's) Wildfire Mitigation Advisory Committee (WMAC) to develop a home hardening certification program. AB 1143 was vetoed by Governor Newsom, who stated the Legislature sent the governor "multiple bills" with the intention of building upon the state's ongoing "efforts to expedite proven and cost-effective home-hardening practices," but:

Unfortunately, rather than providing a coordinated approach, these measures are in conflict with one another, tasking different state entities with similar objectives. The lack of harmony between these efforts will not only result in conflicting outcomes but also confusion for consumers, insurance companies, local governments, and emergency responders.

I encourage the Legislature to revisit this important issue next year and work collaboratively to navigate the different approaches to setting hardening standards, including determining the responsible state entity.

AB 1934 (Bennett) is similar to AB 1143, except AB 1934 requires the WMAC to develop an implementation plan for a home hardening certification program. AB 1934 is pending on this committee's suspense file.

AB 1960 (Bennett) authorizes CAL FIRE to disburse Wildfire Prevention Grants Program funds to "identified cohesive fire communities," defined as a community in which a certain percentage of homes is certified as hardened. AB 1960 is pending on this committee's suspense file.

AB 1964 requires the SFM to compile a report to determine whether homes in moderate, high, and very high fire hazard severity zones meet certain home hardening standards. AB 1965 is pending on this committee's suspense file.

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