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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair  
2025 - 2026 Regular Session

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**AB 245 (Gipson) - Property taxation: application of base year value: disaster relief**

**Version:** July 15, 2025

**Urgency:** Yes

**Hearing Date:** August 29, 2025

**Policy Vote:** REV. & TAX. 5 - 0

**Mandate:** Yes

**Consultant:** Robert Ingenito

**Bill Summary:** AB 245 would (1) extend the five-year deadline to eight years to reconstruct without reassessment, and (2) allow the county assessor to reduce valuations for properties partially damaged more quickly, as a result of the Los Angeles Fires in January 2025.

**\*\*\*\*\* ANALYSIS ADDENDUM – SUSPENSE FILE \*\*\*\*\***

**The following information is revised to reflect amendments  
adopted by the committee on August 29, 2025**

**Fiscal Impact:**

- The Board of Equalization (BOE) estimates that this bill would result in annual property tax revenue losses of \$184 million. Reductions in local property tax revenues, in turn, can increase General Fund Proposition 98 spending by up to roughly 50 percent (the exact amount depends on the specific amount of the annual Proposition 98 guarantee, which in turns depends upon a variety of economic, demographic and budgetary factors). BOE would incur minor administrative costs to implement the provisions of the bill.
- By imposing specified duties on local tax officials, this bill creates a state-mandated local program. To the extent the Commission on State Mandates determines that the provisions of this bill create a new program or impose a higher level of service on local agencies, local agencies could claim reimbursement of those costs. The magnitude is unknown, but potentially in excess of \$50,000 annually (General Fund).

**Author Amendments:** Address chaptering issues with SB 663 (Allen).

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