

CONCURRENCE IN SENATE AMENDMENTS

CSA1 Bill Id:AB 245 Author:(Gipson)

As Amended Ver:August 29, 2025

2/3 vote. Urgency

SUMMARY

Automatically extends property tax relief to victims of the 2025 Los Angeles (LA) Fires.

Senate Amendments

Add double-jointing provisions to avoid a conflict with SB 663 (Allen), and make technical modifications.

COMMENTS

- 1) *2025 LA Fires:* In early January 2025, a series of fires began raging in LA County. Exacerbated by hurricane force gusts and drought conditions, these fires grew rapidly, expanding into outlying residential areas of the LA metropolitan area. As the month progressed, the conditions exacerbating these fires led to serious complications for first responders, and the conflagrations grew without containment. After containment of these fires, however, the true depth of destruction began to become clear. According to the UCLA Anderson Forecast, total property and capital losses could range from \$76 billion to \$131 billion, with a potential decline in county-level gross domestic product of \$4.6 billion. This loss from fire is unprecedented in the state. By comparison, the Camp Fire that destroyed the town of Paradise and was the most destructive fire in the state is estimated to have an associated loss of around \$17 billion, an order of magnitude less than the 2025 LA Fires.
- 2) *The problem and this bill:* There are two provisions in this bill. The first is a simple extension of the time to rebuild a property damaged or destroyed by a disaster on the same site, without an owner's property taxes increasing. This additional time relieves property owners who may struggle to rebuild within the given period as victims of the LA fires simultaneously seek access to the same pool of material, labor, and services.

The second is less straightforward. One might reasonably conclude that an assessor could already apply the damaged value of a LA Fire victim's property to the January 1, 2025 lien date. This area of the law, however, is not abundantly clear. The authorization for an assessor to automatically reassess a damaged or destroyed property applies in cases when a county has not adopted an ordinance pursuant to the general misfortune and calamity relief provisions. LA County has such an ordinance, and it is unclear whether the LA Assessor may automatically apply the damaged value of victims' properties to the January 1, 2025 lien date. This bill would explicitly make such an authorization.

According to the Author

The author has provided the following statement in support of this bill:

The 2025 LA Fires are the most destructive fires in our state's history. As Los Angelenos recover in the aftermath of this devastation, the extent of damage has become painfully clear. According to a report by the UCLA Anderson Forecast, LA County between \$76 and \$131 billion in total capital and property losses. By comparison, this is nearly an order of magnitude greater than what had been the most destructive fire in our state, the Camp Fire.

AB 245 provides victims of the LA Fires additional time to rebuild their home or business without experiencing a property tax increase, and ensures property owners are not forced to pay taxes on the higher, undamaged assessed value of their home for 2025. This relief is vital, as those with less means have less ability to access the limited pool of materials, labor, and services that many victims will simultaneously demand to rebuild. Additionally, AB 245 ensures the LA County Assessor has the authority to automatically reduce the assessed value of damaged properties, providing immediate relief to victims. For these reasons, I urge your support of AB 245.

Arguments in Support

The California Assessors' Association, writing in support of this bill, states, in part:

AB 245 will extend the 5-year rebuild deadline [...] AB 245 also establishes that, for purposes of determining the full cash value of affected properties, the fair market value on January 1, 2025, will be based on the property's value at the time it was damaged or destroyed. This value will take into account reductions due to damage, destruction, depreciation, obsolescence, removal of property, or any other factors that contribute to a decline-in-value. [This] bill defines "qualified real property" as

Arguments in Opposition

None on file

FISCAL COMMENTS

The Senate Appropriations Committee notes the following fiscal impact in its analysis of this bill:

- 1) The [State] Board of Equalization (BOE) indicates that any property tax revenue loss resulting from this bill would be dependent upon individual reduction calculations resulting from retroactive property tax reassessment. The magnitude is unknown. Reductions in local property tax revenues, in turn, can increase General Fund Proposition 98 spending by up to roughly 50% (the exact amount depends on the specific amount of the annual Proposition 98 guarantee, which in turn depends upon a variety of economic, demographic and budgetary factors). [The] BOE would incur minor administrative costs to implement the provisions of the bill.
- 2) By imposing specified duties on Los Angeles County 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).

VOTES:

ASM REVENUE AND TAXATION: 7-0-0

YES: Gipson, Ta, Bains, DeMaio, Garcia, McKinnor, Quirk-Silva

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 79-0-0

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

UPDATED

VERSION: August 29, 2025

CONSULTANT: Harrison Bowlby / REV. & TAX. / (916) 319-2098

FN: 0002065