

RESOLUTION

RULES, ELECTIONS, INTERGOVERNMENTAL RELATIONS

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council; and

WHEREAS, on January 7, 2025, a wildfire and windstorm event unprecedented in scope wreaked destruction across Los Angeles, with the Pacific Palisades, Eaton Canyon, Hurst, and the Hughes Fires burning over 50,000 acres combined throughout the County of Los Angeles and causing loss of life, displaced families and businesses, and tens of billions of dollars in damages; and

WHEREAS, under the Governor’s Executive Order N-4-25, state environmental and coastal permitting requirements have been simplified for buildings that are up to 110 percent of the footprint and height of what was destroyed by the fires; and

WHEREAS, City permitting requirements are streamlined for projects that are no more than 110% of the size of the buildings that were damaged or destroyed; and

WHEREAS, the existing provisions of the State Revenue and Taxation Code relative to property tax assessment do not relate clearly to the 110% standard, but instead provide that property reconstructed after damage may retain its original base year value for tax purposes if the reconstruction is “substantially equivalent” to the damaged or destroyed property, (Section 70(c)); and

WHEREAS, the vagueness of the phrase “substantially equivalent” is likely to create uncertainty among taxpayers trying to rebuild their destroyed properties; and

WHEREAS, to address this issue, SB 1352 (Valladares) would add clarifying language to the Revenue and Taxation Code to specify that, for properties “damaged or destroyed by misfortune or calamity on or after January 1, 2025,” the phrase “substantially equivalent” specifically includes rebuilds that do not exceed 110% of the size of the destroyed property; and

WHEREAS, SB 1352 (Valladares), in proposing to include properties reconstructed within 110% of the original square footage, aligns with the interpretation of “substantially equivalent” proposed by Los Angeles County Assessor Jeffrey Prang, who is sponsoring SB 1352; and

WHEREAS, this solution would provide clarity and consistency for property owners, allowing them to rebuild their homes without the fear of facing an unforeseen property tax increase; and

WHEREAS, the City previously adopted (CF #25-0002-S40) a position of support for AB 1253 (Schultz), which also would have clarified the meaning of “substantially equivalent” for property owners to include rebuilds of up to 110% of the original area, but which expired without being adopted by the State Assembly;

NOW, THEREFORE, BE IT RESOLVED, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2025-2026 State Legislative Program SUPPORT for SB 1352 (Valladares), which would provide clarity for property owners rebuilding property damaged or destroyed by a disaster on or after January 1, 2025, by defining the term “substantially equivalent” in the State Revenue and Taxation Code to specify that a reconstructed improvement may be up to 110% of its original size and still qualify for exclusion from reassessment as “new construction.”

PRESENTED BY: Traci Park
TRACI PARK
Councilmember, 11th District

SECONDED BY: [Signature]

LL [Signature]
MAR 04 2026

ORIGINAL