



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

REPORT NO. R26-0373
JUN 26 2026

REPORT RE:

**DRAFT BALLOT MEASURE TO EXEMPT RESIDENTIAL PROPERTIES DAMAGED
IN THE PALISADES FIRE FROM THE PROPOSITION ULA DOCUMENTARY
TRANSFER TAX; AND DRAFT BALLOT RESOLUTION AND ELECTION
ORDINANCE PLACING THE BALLOT MEASURE ON THE NOVEMBER 3, 2026
BALLOT**

The Honorable City Council
of the City of Los Angeles
Room 395, City Hall
200 North Spring Street
Los Angeles, California 90012

Council File No. 26-1100-S9

Honorable Members:

On June 17, 2026, the City Council requested this Office to prepare the documents necessary for a ballot measure to create a one-time exemption from the Proposition ULA Documentary Transfer Tax (or Housing and Homeless Homelessness and Housing Solutions Tax (set forth in Los Angeles Municipal Code section 21.9.2(b)) for owners of residential properties damaged by the Palisades Fire which began on January 7, 2025. This Office hereby transmits the draft ballot resolution and election ordinance necessary to place the measure on the ballot at the City's General Municipal Election to be held on November 3, 2026. We have approved the draft ballot resolution and election ordinance as to form and legality.

Summary of the Measure's Provisions

Proposition ULA added a new special documentary transfer tax (ULA Tax), subject to certain exemptions, on all properties sold for more than \$5 million. The ULA Tax provisions are incorporated into Article 1.9 of Chapter II of the Los Angeles Municipal Code (LAMC). This ballot measure proposes to add a new Section 21.9.18 to Article 1.9 of the LAMC that would exempt, from the ULA tax, the sale of any residential property damaged or destroyed by the Palisades Fire, as evidenced by the Department of Building and Safety, that occurred or occurs between January 7, 2025 through January 6, 2030. The exemption would apply to all residential properties, whether or not owner-occupied, that are sold by the owner or owners who were also the owner or owners at the time the residential property was damaged or destroyed by the Palisades Fire. "Residential property" is left undefined in the ballot text to afford the City the ability apply a broad interpretation of the term in order to avoid the inadvertent exclusion of an otherwise eligible transfer of a property that was destroyed or damaged by the Palisades Fires.

The exemption would apply retroactively to taxes paid prior to the effective date of the ballot measure. However, refund claims would arise under normal rules for all taxes paid after the effective date of this ballot measure.

Voter Approval and Election Requirements

The ballot measure requires the approval of a majority of the voters of the City of Los Angeles to be adopted.

City Election Code Section 601 requires that final resolutions to place a measure on the ballot must be adopted no less than 110 days before the election. For the November 3, 2026 election, in light of Council's recess schedule, the deadline for the City Council to adopt the resolutions containing the final language of the Charter amendments is July 1, 2026.

CEQA

This Office recommends that you determine that this measure, which is to be presented for the November 2026 ballot, is exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines sections 15378(b)(5) (organizational or administrative activities of governments) and 15061(b)(3) (common sense exemption).

Rule 38 Referral

A copy of the draft ballot measure has been presented to the Office of the City Administrative Officer, the Chief Legislative Assistant, the Department of Building and Safety, and the Office of Finance pursuant to Council Rule 38, with a request that all comments, if any, be presented directly to the City Council when it considers this matter.

If you have any questions regarding this matter, please contact Assistant City Attorney Charles Hong at (213) 978-7700 or the undersigned at (213) 978-7100. A member of this Office will be available when you consider this matter and answer questions you may have.

Sincerely,

HYDEE FELDSTEIN SOTO, City Attorney

By

A handwritten signature in black ink, appearing to read "MJ Dundas", is written over the printed name of Michael J. Dundas.

MICHAEL J. DUNDAS
Chief Assistant City Attorney

MJD:ac
Transmittal