

Date of Hearing: April 21, 2025

ASSEMBLY COMMITTEE ON REVENUE AND TAXATION

Mike Gipson, Chair

AB 1517 (Committee on Revenue and Taxation) – As Introduced March 13, 2025

2/3 vote. Urgency measure. Fiscal committee.

SUBJECT: Property taxation: delinquency and penalties: suspension: Counties of Los Angeles and Ventura

SUMMARY: Enacts various property tax relief measures for victims residing in specified areas impacted by certain fires. Specifically, **this bill**:

- 1) Suspends the following provisions of property tax law until April 10, 2026, for property located in areas encompassed by United States Postal Service ZIP Codes 90019, 90041, 90049, 90066, 90265, 90272, 90290, 90402, 91001, 91040, 91104, 91106, 91107, 93535, and 93536:
 - a) Penalties imposed on delinquent supplemental property taxes;
 - b) The penalty for failing to file an annual property statement, if the statement is filed before April 10, 2026;
 - c) Any penalties, costs, or interest imposed on delinquent taxes for property on the secured roll;
 - d) Any penalties, costs, or interest imposed on delinquent taxes for property on the unsecured roll;
 - e) Redemption penalties for property taxes in default; and,
 - f) The collection of taxes due on property making payments through an installment plan.
- 2) Requires that property taxes eligible for this relief must not have been delinquent as of January 6, 2025, or must not be paid through an impound account.
- 3) Takes immediate effect as an urgency measure. The urgency of this measure is necessary in order to assist property owners who are suffering financial hardship as a result of the Southern California fires, which undermines their ability to pay property taxes when those property taxes are due.
- 4) Finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of existing law because of the unique circumstances facing those in the County of Los Angeles and the County of Ventura due to wildfires beginning in January 2025, which resulted in damage and destruction to thousands of homes and displacement of more than 100,000 residents.

- 5) Requires the state to reimburse local agencies and school districts for costs, if the Commission on State Mandates determines that this bill contains costs mandated by the state.

EXISTING LAW provides that all property is taxable unless otherwise provided by the California Constitution or the laws of the United States. (California Constitution, Article XIII, Section 1.) Property taxes are due on certain dates, after which the unpaid liability becomes delinquent, and subject to certain penalties, fees, and interest. (Revenue and Taxation Code Sections 75.52, 463, 2610.5, 2617, 2618, 2704, 2705, 2922, 4103, 4217, and 4837.5.)

FISCAL EFFECT: Committee staff notes that this bill is a codification of provisions that are subject to an executive order, and would not cost any additional state revenues beyond that order.

COMMENTS:

1) Committee Staff Comments:

- a) *2025 Los Angeles Fires:* Beginning in early January 2025, a series of fires began raging in Los Angeles County. Exacerbated by hurricane force gusts and drought conditions, these fires rapidly grew, expanding into outlying residential areas of the Los Angeles 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 University of California, Los Angeles, 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 Los Angeles Fires.
- b) *Governor Executive Orders (EO):* In response to these fires, Governor Newsom issued EO N-10-25, which suspends a variety of penalties, fees, and interest imposed on delinquent property taxes for specified ZIP codes in Los Angeles and Ventura Counties. Subsequently, the Governor issued EO N-17-25, which expanded this relief to additional ZIP codes.
- c) *This bill:* As currently drafted, this bill would codify the provisions in EO N-10-25 related to property taxation. This bill does not currently contain the expansion of this relief to the ZIP codes contained in EO N-17-25, but the author has indicated their intention to amend those subsequent ZIP codes into this bill's provisions.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Harrison Bowlby / REV. & TAX. / (916) 319-2098