

Property Tax Calamity Overview

FROM THE LA COUNTY ASSESSOR'S WEBSITE

Misfortune and Calamity Tax Relief

You may be eligible for tax relief if your property is damaged or destroyed by a calamity, such as fire or flooding. To qualify, you must file an Application for Reassessment: Property Damaged or Destroyed by Misfortune or Calamity (M&C) Form **ADS-820** with the Assessor's Office within 12 months from the date the property was damaged or destroyed. The loss must exceed \$10,000 of current market value. [Relief for Properties Impacted By A Disaster](#)

Proposition 19 Disaster Relief Transfer of Base Value

In addition, if your property was substantially damaged or destroyed by a Governor-declared disaster, Prop.19 provides for your property's tax base to be transferred to a comparable property within the same county or another county in California. Please visit our [Prop. 19](#) page.

Property Tax Calamity Overview

Revenue and Taxation Code [section 170](#) provides that if a calamity such as fire, earthquake, or flooding damages or destroys your property, you may be eligible for property tax relief if the county where your property is located has adopted an ordinance that allows property tax relief to owners of damaged or destroyed property, without fault from the assessee. In such cases, the county assessor will reappraise the property to reflect its damaged condition. In addition, when it is rebuilt in **a like or similar manner**, the property will retain its prior value (Proposition 13) for tax purposes. All California counties have adopted an ordinance for disaster relief.

Property Tax Calamity Overview

To qualify for property tax relief, you must file a claim with the county assessor within the time specified in your county ordinance, or 12 months from the date of damage or destruction, whichever is later. The loss estimate must be at least \$10,000 of current market value to qualify the property for this relief. The property will be reassessed according to its damaged state and property taxes will be adjusted accordingly.

This property tax relief is available to owners of real property, business equipment and fixtures, orchards or other agricultural groves, and to owners of aircraft, boats, and certain manufactured homes – it is not available to property that is not assessable, such as state licensed manufactured homes or household furnishings.

Property Tax Calamity Overview

The Governor's executive order:

- Suspends until April 10, 2026, certain state tax laws that impose penalties, costs, and interest for late payments of property taxes due in calendar year 2025.
- Applies to properties in ZIP codes 90019, 90041, 90049, 90066, 90265, 90272, 90290, 90402, 91001, 91040, 91104, 91106, 91107, 93535, or 93536.

Property owners may also seek further suspension of penalties and interest, for up to four years, by submitting a [Penalty Cancellation Request Form](#) with the Los Angeles County Treasurer and Tax Collector.

Questions

Jan 1 Lien Date

January 1 is the annual lien date. This means that it is the date the value of the property is determined for property tax purposes. Obviously since we are past that date the values have been set. However, there is a provision in the CA code that allows for catastrophic events to be recognized. In this case, most likely the properties will be revalued as of a certain date in January and this will be the value for the second half of the fiscal year 24-25.

Value of Toxic Land vs Clean Lot

This is a good question and we don't know how the assessor is going to treat it. It is most likely going to be a blanket impairment meaning that the assessor may take a flat % off all land values. This will reduce the number of property tax appeals. It is reasonable to expect that it will take 10 years to get through all these appeals.

Questions

What if you've already paid for the period? (Are the payments we made in December and the payment due in April for calendar 2024?? If not, will people eventually get a refund if their value decreased?)

In this situation I do not know at this time how it will be treated. Historically, your payment will be applied to the new value and any overpayment will be refunded.

Questions

Maintaining your historical basis

There are provisions in the code for this as well. If you rebuild a like property using modern methods there should not be a reassessment.

EX. A 3 bed 2 bath 2000 sq ft house with an assessed value of \$500K and a market value of \$1,000,000. If a 3 bed 2 bath house is rebuilt the prop 13 basis will remain the same. If you rebuild and there is more than a 20% difference in the house (making it a 4 bed 3 bath with a market value of \$1,300,00) then there will be an increase in the assessed value. This will be based on the prior market value compared to the new market value. The difference between the two will be added to the historical basis.

What should you do if your neighborhood was devastated but your house is standing?

This is going to be one of the biggest questions and at this time we don't know how it will be treated. Yes, the value of the unaffected property is reduced for the short period of time while there is rebuilding. However, at the end of the rebuilding process the unaffected property will probably be worth more given the newness of the neighborhood.

Questions

Should home owners go ahead and login to the county assessor's office and fill out the form about change in value?

You will need to fill out the form ADS-820. Doing it today vs. next week vs. next month is not going to make any difference. I think it would be better to wait a few weeks until things calm down and the assessor has a chance to think through how they are going to handle it.

Remember, a reduction in property taxes reduces the money the county/city has to rebuild and increase protection should anything like this happen again.

Disclaimer

The information contained herein is for informational purposes only and not for the purpose of providing legal advice or to address the circumstances of any particular individual or entity. You should contact your attorney to obtain legal advice with respect to any particular issue or problem.