



[Senate Bill 1053](#) (Niello)

Date: Introduced 2/12/26

Program: Property Taxes

Revenue and Taxation Code Sec 69, 70.5

Effective: Upon enactment, immediately

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Summary: Senate Bill (SB) 1053 authorizes the county board of supervisors of any county affected by a disaster declared by the Governor on or after January 1, 2026, until January 1, 2031, to extend the 5 year time period to transfer property tax “base year values” by up to 3 years for properties located in that county, or apply the base year value to a rebuilt property situated on the original property location following a disaster.

Fiscal Impact Summary: Indeterminable.

Existing Law: For property tax purposes, the law requires County Assessors to reassess real property from its Proposition 13 protected value (base year value) to its current market value whenever a change in ownership occurs or upon completion of new construction¹. Exceptions to this reassessment requirement have been enacted, including three base-year value transfers, as discussed below, for property owners whose property has been damaged or destroyed in a disaster for which the Governor proclaimed a State of Emergency.

- On June 3, 1986, the voters of California approved Proposition 50, adding subdivisions (e) and (f) to section 2 of Article XIII A of the California Constitution to allow the transfer of the base year value of real property that is substantially damaged or destroyed by a disaster for which the Governor proclaims a State of Emergency to comparable replacement property located within the same county. These provisions are implemented by [Revenue and Taxation Code \(RTC\) section 69](#).
- On November 2, 1993, California voters approved Proposition 171, which amended section 2(e) of Article XIII A to allow the base year value of a principal residence substantially damaged or destroyed in a disaster for which the Governor proclaims a State of Emergency to be transferred to a replacement principal residence located in another county, provided that the replacement residence is located in a county that has adopted an ordinance to accept such base year value transfers. These provisions are implemented by RTC section 69.3.
- On November 3, 2020, California voters approved Proposition 19, which added section 2.1 to Article XIII A to allow, as relevant here, an owner of a primary residence who is a victim of a wildfire or natural disaster to transfer the taxable value of their original primary residence to a replacement primary residence that is purchased or newly constructed as that person's principal residence within two years of the sale of

¹ Article XIII A, section 2 of the California Constitution.

the original primary residence. Proposition 19 became operative as of April 1, 2021. These provisions are implemented by RTC section 69.6.

Related to this bill, [RTC section 69](#) provides tax relief to persons who own property substantially damaged or destroyed in a Governor-proclaimed disaster. Among the various requirements and conditions, the base year value of the damaged property may be transferred to a comparable property located within the same county and purchased or newly constructed within five years of the disaster's occurrence.

However, for properties damaged or destroyed in the November 2018 Camp Fire in Butte County, the base year value must be transferred within eight years. Physical damage must amount to more than 50% of the property's market value immediately before the disaster. This base year value transfer is available for any type of real property, not just the home, and the damaged and replacement property must be the same property type and of comparable size, utility, and function.

While the damaged property does not need to be sold to transfer its base year value under the provisions of RTC section 69, a homeowner is not allowed to also receive the new construction exclusion under RTC section 70(c), 70.5, or 170 if the damaged or destroyed property is rebuilt.

[RTC section 70.5](#) allows owners of property substantially damaged or destroyed in a Governor-proclaimed disaster to reconstruct "comparable" property onsite with a return to the former property's base year value if they elect to rebuild instead of purchasing replacement property.

To be comparable, the reconstructed property must be similar in size, utility, and function. Property is considered similar in "size and utility" if its full cash value doesn't exceed 120% of the full cash value of the property before damage or destruction. If the value does exceed 120%, partial relief is available. To qualify for relief under section 70.5, the reconstruction must be completed within five years of the date of the disaster.

Proposed Law: SB 1053 authorizes the county board of supervisors of any county affected by a disaster declared by the Governor on or after January 1, 2026, until January 1, 2031, to extend the five-year time period to transfer property tax base year values by up to three years for replacement properties located in that county or reapply the prior base year value to reconstructed property on the original site. Specific proposed changes are as follows:

RTC Section 69

The county board of supervisors of any county proclaimed by the Governor, pursuant to Section 8625 of the Government Code, to be in a State of Emergency, or otherwise determined or declared by the Governor to be in a state of disaster, on or after January 1, 2026, but before January 1, 2031, may by ordinance extend the time period specified in paragraph (1) to transfer the base year value of property in that county that is

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substantially damaged or destroyed by the disaster to comparable property within the same county that is acquired or newly constructed as a replacement for the substantially damaged or destroyed property by up to three years. This shall apply to the determination of base year values for lien dates occurring on or after January 1, 2026, and before January 1, 2031.

RTC Section 70.5

The county board of supervisors of any county proclaimed by the Governor, pursuant to Section 8625 of the Government Code, to be in a State of Emergency, or otherwise determined or declared by the Governor to be in a state of disaster, on or after January 1, 2026, but before January 1, 2031, may by ordinance extend the time period specified in paragraph (1) to apply the base year value of property that is substantially damaged or destroyed by the disaster to replacement property that is reconstructed on the site of the damaged or destroyed property and that is comparable to the damaged or destroyed property by up to three years. This paragraph shall apply to the determination of base year values for lien dates occurring on or after January 1, 2026, and before January 1, 2031.

Effective Date: As a tax levy, this bill is effective immediately upon enactment.

In General: Disaster Relief. California's system of property taxation under Article XIII A of the California Constitution (Proposition 13) values the property at its 1975 fair market value, with annual increases after that limited to the amount of inflation or 2%, whichever is less, until the property changes ownership or new construction occurs. Once a reassessable event occurs (i.e., a change in ownership or new construction), the property's value for tax purposes is redetermined based on its current market value. The value initially established, or redetermined where appropriate, is called the "base year value."

Because real estate values generally appreciate at a rate greater than 2% per year, when an event triggers a reassessment of property to its current market value, the reassessed value (i.e., its new base year value) will likely be substantially higher.

California property tax law provides for various situations where the base year value of a property is either: (1) retained, notwithstanding that new construction has taken place or that the property has changed ownership, or (2) transferred to another property, notwithstanding that the property has changed ownership. These special situations are provided pursuant to various constitutional amendments modifying the original Proposition 13 framework and serve to avoid the otherwise required reassessment of a property to its current market value.

RTC section 69 provides that persons who own property substantially damaged or destroyed in a Governor-proclaimed disaster may transfer the base year value of that property to a property acquired or newly constructed as a replacement if it is acquired within five years after the disaster². "Substantially damaged" means physical damage amounting to more than 50% of its current market value immediately before the damage. Base year value transfers are available for all property types, with the limitation that the original property and the replacement property must

² Proposition 50 of 1986 authorized this base year value transfer provision.

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be of the same property *type*: residential, commercial, agricultural, or industrial. The replacement property is “comparable” if it is similar in size, utility, and function to the destroyed property and if the market value of the acquired property does not exceed 120% of the fair market value of the replaced property in its pre-damaged condition. Property owners may, nevertheless, still receive partial disaster relief in cases where the value of the replacement property exceeds the 120% limitation. Specifically, under section 69, any amount over this threshold is assessed at full market value and added to the transferred base year value.

RTC section 70(c) provides that where the property has been damaged or destroyed by misfortune or calamity, the property will retain its previous assessed value after its reconstruction as long as such reconstruction is substantially equivalent to the property before damage or destruction. Consequently, a rebuilt property after a fire will continue to be assessed at the same amount even though the property has been entirely newly constructed. RTC section 70.5 added a new provision specific to post-disaster reconstruction following a Governor proclaimed event. These provisions allow a base year value to be reinstated for reconstructed improvements if those improvements are similar in function, size, utility, and within 120% of value to qualify for a base year value transfer. These provisions parallel the intracounty base year value transfer under RTC Section 69 to provide similar benefits to those who elect to rebuild. This section also states that if the reconstruction exceeds 120% of value, the amount that exceeds 120% is added to the factored base year value.

Governor State of Emergency Proclamations: The Government Code³ authorizes the Governor to proclaim a State of Emergency under specified circumstances, including:

- "State of War Emergency" means the condition which exists immediately, with or without a proclamation thereof by the Governor, whenever this state or nation is attacked by an enemy of the United States or upon receipt by the State of a warning from the federal government indicating that such an enemy attack is probable or imminent.
- "State of Emergency" means the duly proclaimed existence of disaster conditions or extreme peril to the safety of persons and property within the state.
- "Local emergency" means the duly proclaimed existence of disaster or extreme peril to the safety of persons and property within the territorial limits of a county, city, and county or city.

Background: In 1993, Assembly Bill (AB) 1824 (Stats. 1993, ch. 1053) extended the timeframe for RTC section 69 base year value transfers from two years to three years for all disasters occurring on or after October 20, 1991, the date of the Oakland Hills fire.

In 1997, SB 594 (Stats. 1997, ch. 941) provided a special five-year timeframe for any victim of the 1994 Northridge earthquake. In 2006, AB 1890 (Stats. 2006, ch. 317) extended the timeframe for RTC section 69 base year value transfers from three years to five years for all disasters occurring after July 1, 2013, when several devastating fires swept through Southern California.

AB 2013 (Stats. 2020, ch. 124) provided RTC section 70.5, allowing similar benefits to RTC

³ Government Code (GC) Sections [8558](#) and [8625](#).

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section 69 for those electing to reconstruct similar improvements on an existing property instead of purchasing a replacement property.

Commentary:

1. **Author's Office Comment.** Recent fire events have shown that five years is proving to be a difficult timeline to get replacement property built, and that in recognition of this dilemma, the Legislature has extended the five-year period numerous times for disaster specific events to accommodate a longer period (SB 663-Allen 2025, SB 303-Borgeas 2021, AB 556-Gallagher 2023, AB 157-Anderson 2010). It is time for the Legislature to consider allowing the local land and tax use authorities to make this decision on an on-going basis. Whether it is fire, floods, mudslides, or earthquakes, local boards of supervisors are closer to the problems affecting their communities and can adjust the time period if needed.

2. **Related Legislation.**
 - AB 245 (Gipson, 2025) extends the five-year time period by three years if the property was substantially damaged or destroyed by the 2025 Palisades Fire, Eaton Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire on or after January 7, 2025, but before February 1, 2025.
 - SB 663 (Allen, 2025) extends the five-year time period by three years if the property was substantially damaged or destroyed by the 2025 Palisades Fire, Eaton Fire, Hurst Fire, Lidia Fire, Sunset Fire, or Woodley Fire, or the 2024 Mountain Fire or Franklin Fire, on or after November 1, 2024, but before February 1, 2025.
 - AB 1500 (Irwin, 2023) allows victims of both the Camp Fire and the Woolsey Fire that affected Los Angeles and Ventura Counties in 2018 an additional three years to apply the assessed value of their damaged or destroyed property to be reconstructed on the same site.
 - AB 556 (Gallagher, 2023) extends the time period for base year value transfers, where taxpayers transfer the assessed value from their damaged or destroyed property to a newly acquired or constructed replacement property.
 - SB 303 (Borgeas, 2021) provided a blanket, two-year extension due to the COVID-19 pandemic.

3. **Recent Governor's Emergency Proclamations.** On January 7, 2025, the Governor proclaimed a State of Emergency to exist in Los Angeles and Ventura counties due to the Palisades fire and windstorm conditions. A total of 19 [Executive Orders](#) were issued during the period of devastation. According to Cal Fire, as of February 7, 2025, an estimated 23,707 acres had been burned in the Palisades Fire, destroying 6,833 structures. In the Eaton Fire, an estimated 14,021 acres were affected, and 9,413

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homes were destroyed. This disaster has triggered several bills, some of which also include base year transfer extensions.

4. **Local Government Reimbursement.** Existing law requires the State to reimburse local agencies annually for certain property tax revenues lost as a result of any exemption or classification of property for purposes of ad valorem property taxation. This bill would provide that, notwithstanding those provisions, no appropriation is made, and the State shall not reimburse local agencies for property tax revenues lost by them pursuant to the bill.
5. **Recent Disaster Example.** In the report [Impact of 2025 Los Angeles Wildfires and Comparative Study](#) that was commissioned by the Southern California Leadership Council and produced by the Los Angeles County Economic Development Corporation, it was reported that an estimated 6,833 structures were destroyed in the Palisades fire, and 9,413 structures were destroyed in the Eaton fire. [The Legislative Analyst's Office](#) estimated that the fires caused a reduction in assessed value of \$10 billion to \$20 billion, and that this reduction in assessed value would correspondingly reduce property tax payments by \$100 million to \$200 million in 2025-26.

Costs: BOE anticipates approximately \$8,000 in 2026-27 for administrative costs associated with this bill.

Revenue Impact:

The SB 1053 proposal is not related to one specific disaster or one specific jurisdiction. In general, this proposal provides any affected county, starting January 1, 2026, the option to decide at the local level, on an ongoing basis, the need for up to three additional years for intracounty base year transfers or to the same property affected by the disaster. Considering the location, nature, and severity of future disasters, and the scope of resulting damages, revenue impact is difficult to determine with any reasonable accuracy.

Qualifying Remark:

This revenue estimate does not account for any changes in economic activity that may or may not result from the enactment of the proposed law.

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