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December 22, 2025

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**IMPLEMENTATION OF POST-DISASTER PROPERTY ASSESSMENT STANDARDS FOLLOWING THE 2025 WILDFIRES.**

The Office of the Assessor (Assessor) provides this notice to your Board of Supervisors (Board) regarding the post-disaster property assessment standards that will be implemented following the January 2025 wildfires.

**OVERVIEW**

The Assessor affirms authority under Revenue and Taxation Code Section 70(c) to interpret “substantially equivalent” to include up to a 110 percent threshold in square footage when valuing rebuilt properties in these fire impacted areas. This notice is being provided to maintain alignment and transparency with your Board as the County of Los Angeles (County) continues post-disaster recovery efforts.

In applying this standard, the Assessor's interpretation reflects a balanced approach tailored to the extraordinary circumstances of this disaster. Property owners in affected areas may need to modify the size or configuration of their homes to comply with updated building, fire, and environmental code standards. These changes are often required to obtain building permits and ensure community safety and resilience.

Allowing modest increases within a defined 110 percent threshold ensures that property owners are not unfairly penalized with reassessment for adhering to these requirements. Treating these structures as “substantially equivalent” maintains consistency with the intent of the new construction exclusion, which is to preserve base-year value for disaster victims who rebuild their homes within statutory timelines and parameters.

This approach aligns with guidance from the California State Board of Equalization (BOE), which notes it may be reasonable to increase the allowable percentage based on factors

such as the number of years since the damage, inflation, increased labor and material costs, or changes in building code or required dimensions, so long as there is a rational basis supporting the Assessor's use of an increased factor. However, if a rebuilt property's full cash value or footprint greatly exceeds the original, there may be less of a reasonable basis for extending such treatment.

The County's Zoning Code supports this interpretation. Specifically, Title 22, Section 22.256.050.A provides that:

"Where modifications to any like-for-like replacement are required by Title 26 (Building Code) or Title 32 (Fire Code), as determined by Public Works or the Fire Department, such modifications shall be no greater than necessary to accommodate such modification, and in any case, such modification shall not exceed either the floor area, size, height, or bulk of the damaged or destroyed structure by more than 10 percent."

This "110 percent language" was added to Title 22 as part of the Disaster Recovery Ordinance, adopted by the Board of Supervisors on April 18, 2023, and is interpreted to provide property owners discretion to make these limited modifications without requiring Public Works or Fire Department determinations of necessity. Similar language appears in County Code Section 22.44.820.A.5, which governs disaster rebuilds in the Santa Monica Mountains Local Implementation Program adopted August 26, 2014, and exempts such projects from Coastal Development Permits under comparable conditions.

This consistent 10 percent threshold across County policy frameworks provides a rational and objective basis for the Assessor's interpretation under Revenue and Taxation Code section 70(c). Aligning the assessment standard with the zoning and building provisions ensures consistency across regulatory systems and supports an efficient, fair, and transparent recovery process.

This policy provides administrative clarity by establishing a consistent, objective standard for both staff and property owners. It reduces uncertainty, prevents inconsistent outcomes across similarly situated parcels, and supports fairness in the County's post-disaster recovery efforts.

Accordingly, this approach accounts for the unprecedented nature of the January 2025 wildfires, aligns property tax assessment standards with emergency rebuilding mandates and updated code requirements, preserves the base-year value of affected properties, and supports equitable recovery in the County.

## **BACKGROUND**

The catastrophic January 2025 wildfires—Palisades, Eaton, Hurst, Lidia, Sunset, Woodley, and Hughes—caused extensive damage across Los Angeles County, with particularly severe impacts in Supervisorial Districts 3 and 5, including communities such as Altadena and Pacific Palisades. Over 200,000 residents were displaced, and more than 23,000 structures were damaged or destroyed.

To support an equitable and efficient recovery, various levels of government enacted emergency building regulations that may result in properties being rebuilt with modest increases in size or configuration.

However, misinformation circulated in the aftermath of these disasters conflated these emergency building regulations with property tax assessment provisions. This led some wildfire victims to believe that they were automatically permitted to rebuild larger homes without any potential tax repercussions. In reality, the emergency construction regulations and property assessment rules operate independently and increases in building size or configuration may affect the property's base-year value unless the rebuilt structure is deemed "substantially equivalent" under applicable law.

Under Revenue and Taxation Code Section 70(c), a property's base-year value may be retained if the structure is rebuilt after a disaster and is "substantially equivalent" to the original. However, the statute does not define this term, creating potential uncertainty for both property owners and Assessor staff.

The BOE has issued guidance supporting reasonable flexibility in interpreting "substantial equivalence," including square footage increases of up to 10 percent, particularly when necessitated by modern code compliance, defensible space requirements, seismic safety standards, or environmental constraints. This guidance also notes that increases may be adjusted to reflect factors such as inflation, labor and material costs, or updated building codes, provided a rational basis exists.

This policy establishes a consistent, local interpretation, ensuring equitable treatment of residents rebuilding under extraordinary circumstances and clarifying the distinction between emergency building regulations and property assessment provisions to prevent further misunderstanding.

## **ASSESSMENT POLICY IMPACT**

The adoption and implementation of this approach, consistent with other misfortune and calamity relief measures, will likely result in assessed property values not increasing as they otherwise would have, leading to lower-than-anticipated annual property tax revenue for the County, cities, school districts, community colleges, and various special districts that rely on these funds.

Although this policy will likely have an impact on tax revenue, it promotes fair treatment for property owners rebuilding under exceptional conditions, ensures consistency in assessment practices, and aligns with the intended purpose of the new construction exclusion under applicable law.

To facilitate implementation, Assessor staff will be provided with detailed policy guidance, attached for your reference.

## **CONCLUSION**

The implementation of this policy provides clear, equitable, and administratively sound guidance for post-disaster property assessments following the January 2025 wildfires. By aligning local interpretation of the term “substantial equivalent” under Revenue and Taxation Code Section 70(c) with the County’s zoning and building standards—including the 110 percent threshold established in Title 22—this policy promotes consistency across regulatory frameworks, mitigates misinformation, and ensures fair treatment for affected property owners. While the County may experience a modest reduction in property tax revenue, this approach advances the broader public interest by supporting community recovery, reinforcing public trust, and upholding the intent of the law to protect disaster victims from undue financial hardship as they rebuild their homes and lives.

Should you require additional information or have any questions, your staff may contact Scott Thornberry, Assistant Assessor at (213) 974-3101 or [sthornberry@assessor.lacounty.gov](mailto:sthornberry@assessor.lacounty.gov).

Respectfully submitted,



JEFFREY PRANG

Assessor

JP:GR:DS:LL:SPT

Enclosure

c: Chief Executive Office  
Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Treasurer and Tax Collector

	<b>POLICY AND OPERATING PRACTICE MANUAL</b>	<b>NO.</b> 1505-01-0
		<b>EFFECTIVE</b> 12-18-2025
		<b>PAGE</b> 1 OF 3
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## IMPLEMENTATION OF POST-DISASTER PROPERTY ASSESSMENT STANDARDS FOLLOWING THE 2025 WILDFIRES

This policy establishes a defined standard for post-disaster assessments by recognizing rebuilt structures within a 110 percent threshold as “substantially equivalent,” ensuring equitable treatment and consistent application of Revenue and Taxation Code Section 70(c). This standard applies only to properties damaged or destroyed by the January 2025 wildfires recognized by the Governor.

### 1. SUBSTANTIALLY EQUIVALENT STANDARD

#### 1.1 Substantially Equivalent Standard

Under Revenue and Taxation Code Section 70(c) and Article XIII A, Section 2 of the California Constitution, “newly constructed” does not include timely reconstruction of property damaged or destroyed by misfortune or calamity where the rebuilt property is substantially equivalent to the original.

In accordance with the Attorney General’s Opinion (63 Ops.Cal.Atty.Gen. 304 (1980)) and BOE guidance, “substantially equivalent” is determined by whether the reconstructed property is comparable in fair-market value and similar in size, utility, and function to the property prior to the disaster.

#### 1.2 Consistent with BOE direction and County zoning policy, rebuilt properties may be considered substantially equivalent if they:

Do not exceed 110 percent of the original square footage;

Maintain comparable size, utility, and function; and

Do not materially increase fair-market value relative to the pre-disaster property.

**NOTE: Modifications required by updated building, fire, environmental, or safety codes are included in this calculation.**

#### 1.3 The 110 percent threshold reflects a reasonable and rational basis supported by the following considerations:

##### A. Code Compliance Requirements:

Increases needed to satisfy modern Building (Code Title 26) and Fire (Code Title 32) standards—such as seismic retrofits, defensible-space setbacks, accessibility, or energy-efficiency requirements—may modestly expand a structure’s dimensions.

**B. Environmental and Site Constraints:**

Adjustments required by slope stability, drainage, storm-water, or habitat protection standards may necessitate footprint or siting changes consistent with County Code § 22.256.050.A (Disaster Recovery Ordinance).

**C. Updated Design and Structural Standards:**

Contemporary design or construction methods (e.g., truss spacing, foundation reinforcement) can increase square footage without altering use or value.

**D. Inflation and Construction Costs:**

BOE acknowledges that increases between 105 percent and 110 percent are reasonable when justified by inflation, material or labor cost increases, or other post-disaster economic factors.

**E. Functional Equivalence**

Modest expansions needed to preserve comparable utility and function - such as wider hallways or updated mechanical areas - are permissible when the home's market value remains similar.

**F. Alignment with Local Policy**

The County's **Title 22, § 22.256.050.A** authorizes up to a 10 percent increase in size, height, or bulk for like-for-like disaster rebuilds; harmonizing the assessment standard with this provision ensures internal consistency and fairness.

**2. DOCUMENTATION REQUIREMENTS**

Staff must maintain documentation for each property, including:

- 2.1 Original and reconstructed square footage and construction quality.

The rational basis and justification for any increase is based on this Board Notice letter.

**3. CONSISTENCY AND DISCRETION**

- 3.1 Apply this standard uniformly across all impacted parcels.

Ensure each determination is supported by documented rationale consistent with County policy.

**Dara  
Smith** Digitally signed  
by Dara Smith  
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Dara Smith  
Assistant Assessor

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Scott Thornberry  
Assistant Assessor