

Introduced by Senators Allen, McNerney, and Pérez
(Principal coauthors: Senators Caballero, Cervantes, Cortese,
Gonzalez, Grayson, Hurtado, Menjivar, Reyes, Richardson,
Smallwood-Cuevas, and Umberg)

February 20, 2025

An act to amend Sections 70.5, 170, and 214 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 663, as introduced, Allen. Winter Fires of 2025: real property tax: exemptions and reassessment.

(1) The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, “full cash value” is defined as the assessor’s valuation of real property as shown on the 1975–76 tax bill under “full cash value” or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. Existing law defines “newly constructed” and “new construction” to mean any addition to real property since the last lien date and any alteration of land or of any improvement since the last lien date that constitutes a major rehabilitation thereof or that converts the property to a different use. Existing law, where real property has been damaged or destroyed by misfortune or calamity, excludes from the definition of “newly constructed” and “new construction” any timely reconstruction of the real property, or portion thereof, where the property after reconstruction is substantially equivalent to the property prior to damage or destruction. Existing law, pursuant to the authorization of the California Constitution, authorizes the transfer of the base year value of property that is

substantially damaged or destroyed by a disaster, as declared by the Governor, to comparable replacement property within the same county that is acquired or newly constructed within 5 years after the disaster, as provided.

Existing law authorizes the owner of property substantially damaged or destroyed by a disaster, as declared by the Governor, to apply the base year value of that property to replacement property reconstructed on the same site of the damaged or destroyed property within 5 years after the disaster if the reconstructed property is comparable to the substantially damaged or destroyed property, determined as provided.

This bill would extend the 5-year time period described above by 3 years if the property was substantially damaged or destroyed by the wildfires in the County of Los Angeles and the County of Ventura in January 2025, including, but not limited to, the 2025 Palisades Fire, the 2025 Eaton Fire, the 2025 Hughes Fire, and the 2025 Kenneth Fire, on or after January 1, 2025, but before February 1, 2025. The bill would make these provisions applicable to the determination of base year values for the 2025–26 fiscal year and fiscal years thereafter. By imposing additional duties on local tax officials, the bill would create a state-mandated local program.

(2) The California Constitution authorizes the Legislature to authorize local governments to provide for the assessment or reassessment of taxable property physically damaged or destroyed after the lien date to which the assessment or reassessment relates. Existing property tax law authorizes the board of supervisors of a county, by ordinance, to provide that every assessee of any taxable property, or any person liable for the taxes thereon, whose property was damaged or destroyed without their fault, may apply for reassessment of that property, as provided. Existing property tax law requires, for property to be eligible for reassessment under these provisions, that the damage or destruction be caused by one of 3 specified occurrences, including a major misfortune or calamity in an area or region subsequently proclaimed by the Governor to be in a state of disaster if the property was damaged or destroyed by the misfortune or calamity that caused the Governor to proclaim the region to be in a state of disaster. Existing property tax law generally requires that an application for reassessment be filed within the latter of the time specified in the county's ordinance or within 12 months of the misfortune or calamity and be executed under penalty of perjury.

This bill would also authorize a local government to provide for the assessment or reassessment of taxable property damaged by a major

misfortune or calamity in an area or regions subsequently proclaimed to be in a state of emergency, as specified. The bill would provide that the assessor shall have the discretion to determine the appropriate date of damage for the purposes of reassessment.

This bill would, in the case of property damaged by the wildfires in the County of Los Angeles and the County of Ventura in January 2025, including, but not limited to, the 2025 Palisades Fire, the 2025 Eaton Fire, the 2025 Hughes Fire, and the 2025 Kenneth Fire, extend the period to file for reassessment to the latter of the time specified in the county’s ordinance or within 24 months of the fires. By expanding the crime of perjury, this bill would impose a state-mandated local program.

(3) Existing property tax law, in accordance with the California Constitution, provides for a “welfare exemption” for property used exclusively for religious, hospital, scientific, or charitable purposes and that is owned or operated by certain types of nonprofit entities, if certain qualifying criteria are met.

This bill, in the case of property impacted by the wildfires of January 2025, in the County of Los Angeles and the County of Ventura, as specified, would deem property to be eligible for a welfare exemption, as specified, if the property received a welfare exemption for the 2025 calendar year, and the property is no longer used for an exempt purpose due to damage from the fires. These provisions would apply until the property has been replaced, new construction has been completed on the property, or the property has returned to its prior use. The bill would make this provisions operative only for lien dates prior to January 1, 2033.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(5) 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.

(6) This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles and the County of Ventura.

(7) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 70.5 of the Revenue and Taxation Code
2 is amended to read:

3 70.5. (a) Notwithstanding Section 70, and pursuant to Section
4 2 of Article XIII A of the Constitution, the base year value of
5 property that is substantially damaged or destroyed by a disaster,
6 as declared by the Governor, may be applied to replacement
7 property reconstructed on the site of the damaged or destroyed
8 property within five years after the disaster as a replacement for
9 the substantially damaged or destroyed property if that
10 reconstructed property is comparable to the substantially damaged
11 or destroyed property. A person who owns substantially damaged
12 or destroyed property that receives property tax relief under this
13 section shall not be eligible for property tax relief provided under
14 Section 69.

15 (b) (1) The replacement base year value of the reconstructed
16 property shall be determined in accordance with this section.

17 (2) The assessor shall use the following procedure in
18 determining the appropriate base year value of the reconstructed
19 property:

20 (A) If the full cash value of the reconstructed property does not
21 exceed 120 percent of the full cash value of the property
22 substantially damaged or destroyed, then the adjusted base year
23 value of the property substantially damaged or destroyed shall
24 apply to the reconstructed property as its base year value.

25 (B) If the full cash value of the reconstructed property exceeds
26 120 percent of the full cash value of the property substantially
27 damaged or destroyed, then the amount of the full cash value over

1 120 percent of the full cash value of the property substantially
2 damaged or destroyed shall be added to the adjusted base year
3 value of the original property substantially damaged or destroyed.
4 The sum of these amounts shall become the reconstructed
5 property's base year value.

6 (C) If the full cash value of the reconstructed property is less
7 than the adjusted base year value of the original property
8 substantially damaged or destroyed, then that lower value shall
9 become the reconstructed property's base year value.

10 (D) The full cash value of the property substantially damaged
11 or destroyed shall be the amount of its full cash value immediately
12 prior to its substantial damage or destruction, as determined by
13 the county assessor of the county in which the property is located.

14 (c) For purposes of this section:

15 (1) Property is substantially damaged or destroyed if the
16 improvements sustain physical damage amounting to more than
17 50 percent of the improvements' full cash value immediately prior
18 to the disaster.

19 (2) Reconstructed property shall be considered comparable to
20 the original property substantially damaged or destroyed if it is
21 similar in size, utility, and function to the property which it
22 replaces. For purposes of this paragraph:

23 (A) Property is similar in function if the reconstructed property
24 is subject to similar governmental restrictions, such as zoning.

25 (B) (i) Both the size and utility of property are interrelated and
26 associated with value. Property shall be considered similar in size
27 and utility only to the extent that the reconstructed property is, or
28 is intended to be, used in the same manner as the original property
29 substantially damaged or destroyed and its full cash value does
30 not exceed 120 percent of the full cash value of the original
31 property substantially damaged or destroyed.

32 (ii) A reconstructed property or any portion of reconstructed
33 property used or intended to be used for a purpose substantially
34 different than the use made of the original property substantially
35 damaged or destroyed shall to the extent of the dissimilar use be
36 considered not similar in utility.

37 (iii) A reconstructed property or any portion of reconstructed
38 property that satisfies the use requirement but has a full cash value
39 that exceeds 120 percent of the full cash value of the original

1 property substantially damaged or destroyed shall be considered,
2 to the extent of the excess, not similar in utility and size.

3 (C) To the extent that reconstructed property or any portion of
4 reconstructed property is not similar in function, size, and utility,
5 the property or portion of that property shall be considered to be
6 newly constructed.

7 (3) “Disaster” means a major misfortune or calamity in an area
8 subsequently proclaimed by the Governor to be in a state of disaster
9 as a result of that misfortune or calamity.

10 (d) Only the owner or owners of the property substantially
11 damaged or destroyed, whether one or more individuals,
12 partnerships, corporations, other legal entities, or a combination
13 thereof, shall be eligible to receive property tax relief under this
14 section. Relief under this section shall be granted to an owner or
15 owners of substantially damaged or destroyed property who have
16 reconstructed that property.

17 (e) (1) Notwithstanding any law, the time period specified in
18 subdivision (a) to apply the base year value of qualified property
19 to replacement property reconstructed on the site of the damaged
20 or destroyed property is extended by three years if the qualified
21 property was substantially damaged or destroyed on or after
22 November 1, 2018, but on or before November 30, 2018.

23 (2) This subdivision shall apply to the determination of base
24 year values for the 2018–19 fiscal year and fiscal years thereafter.

25 (3) For purposes of this subdivision, “qualified property” means
26 property that was substantially damaged or destroyed, as described
27 in paragraph (1) of subdivision (c), by the 2018 Woolsey Fire
28 disaster or by the 2018 Camp Fire disaster, as proclaimed by the
29 Governor.

30 (f) (1) *Notwithstanding any law, the time period specified in*
31 *subdivision (a) to apply the base year value of qualified property*
32 *to replacement property reconstructed on the site of the damaged*
33 *or destroyed property is extended by three years if the qualified*
34 *property was substantially damaged or destroyed on or after*
35 *January 1, 2025, but before February 1, 2025.*

36 (2) *This subdivision shall apply to the determination of base*
37 *year values for the 2025–26 fiscal year and fiscal years thereafter.*

38 (3) *For purposes of this subdivision, “qualified property” means*
39 *property that was substantially damaged or destroyed, as described*
40 *in paragraph (1) of subdivision (c), by the wildfires in the County*

1 *of Los Angeles and the County of Ventura in January 2025,*
2 *including, but not limited to, the 2025 Palisades Fire, the 2025*
3 *Eaton Fire, the 2025 Hughes Fire, and the 2025 Kenneth Fire.*

4 (f)

5 (g) This section shall apply to real property damaged or
6 destroyed by misfortune or calamity on or after January 1, 2017.

7 SEC. 2. Section 170 of the Revenue and Taxation Code is
8 amended to read:

9 170. (a) Notwithstanding any other law, the board of
10 supervisors, by ordinance, may provide that every assessee of any
11 taxable property, or any person liable for the taxes thereon, whose
12 property was damaged or destroyed without ~~his or her~~ *the*
13 *assessee's or liable person's* fault, may apply for reassessment of
14 that property as provided in this section. The ordinance may also
15 specify that the assessor may initiate the reassessment where the
16 assessor determines that within the preceding 12 months taxable
17 property located in the county was damaged or destroyed. *The*
18 *assessor shall have the discretion to determine the appropriate*
19 *date of damage for the purposes of reassessment.*

20 To be eligible for reassessment the damage or destruction to the
21 property shall have been caused by any of the following:

22 (1) A major misfortune or calamity, in an area or region
23 subsequently proclaimed by the Governor to be in a state of
24 disaster, if that property was damaged or destroyed by the major
25 misfortune or calamity that caused the Governor to proclaim the
26 area or region to be in a *state of emergency, pursuant to Section*
27 *8625 of the Government Code, or a state of disaster.* As used in
28 this paragraph, "damage" includes a diminution in the value of
29 property as a result of restricted access to the property where that
30 restricted access was caused by the major misfortune or calamity.

31 (2) A misfortune or calamity.

32 (3) A misfortune or calamity that, with respect to a possessory
33 interest in land owned by the state or federal government, has
34 caused the permit or other right to enter upon the land to be
35 suspended or restricted. As used in this paragraph, "misfortune or
36 calamity" includes a drought condition such as existed in this state
37 in 1976 and 1977.

38 The application for reassessment may be filed within the time
39 specified in the ordinance or within 12 months of the misfortune
40 or calamity, whichever is later, by delivering to the assessor a

1 written application requesting reassessment showing the condition
2 and value, if any, of the property immediately after the damage or
3 destruction, and the dollar amount of the damage. The application
4 shall be executed under penalty of perjury, or if executed outside
5 the State of California, verified by affidavit.

6 An ordinance may be made applicable to a major misfortune or
7 calamity specified in paragraph (1) or to any misfortune or calamity
8 specified in paragraph (2), or to both, as the board of supervisors
9 determines. An ordinance shall not be made applicable to a
10 misfortune or calamity specified in paragraph (3), unless an
11 ordinance making paragraph (2) applicable is operative in the
12 county. The ordinance may specify a period of time within which
13 the ordinance shall be effective, and, if no period of time is
14 specified, it shall remain in effect until repealed.

15 (b) Upon receiving a proper application, the assessor shall
16 appraise the property and determine separately the full cash value
17 of land, improvements and personalty immediately before and
18 after the damage or destruction. If the sum of the full cash values
19 of the land, improvements and personalty before the damage or
20 destruction exceeds the sum of the values after the damage by ten
21 thousand dollars (\$10,000) or more, the assessor shall also
22 separately determine the percentage reductions in value of land,
23 improvements and personalty due to the damage or destruction.
24 The assessor shall reduce the values appearing on the assessment
25 roll by the percentages of damage or destruction computed pursuant
26 to this subdivision, and the taxes due on the property shall be
27 adjusted as provided in subdivision (e). However, the amount of
28 the reduction shall not exceed the actual loss.

29 (c) (1) As used in this subdivision, “board” means either the
30 county board of supervisors acting as the county board of
31 equalization, or an assessment appeals board established by the
32 county board of supervisors in accordance with Section 1620, as
33 applicable.

34 (2) The assessor shall notify the applicant in writing of the
35 amount of the proposed reassessment. The notice shall state that
36 the applicant may appeal the proposed reassessment to the board
37 within six months of the date of mailing the notice. If an appeal is
38 requested within the six-month period, the board shall hear and
39 decide the matter as if the proposed reassessment had been entered
40 on the roll as an assessment made outside the regular assessment

1 period. The decision of the board regarding the damaged value of
2 the property shall be final, provided that a decision of the board
3 regarding any reassessment made pursuant to this section shall
4 create no presumption as regards the value of the affected property
5 subsequent to the date of the damage.

6 (3) Those reassessed values resulting from reductions in full
7 cash value of amounts, as determined above, shall be forwarded
8 to the auditor by the assessor or the clerk of the board, as the case
9 may be. The auditor shall enter the reassessed values on the roll.
10 After being entered on the roll, those reassessed values shall not
11 be subject to review, except by a court of competent jurisdiction.

12 (d) (1) If no application is made and the assessor determines
13 that within the preceding 12 months a property has suffered damage
14 caused by misfortune or calamity that may qualify the property
15 owner for relief under an ordinance adopted under this section,
16 the assessor shall provide the last known owner of the property
17 with an application for reassessment. The property owner shall
18 file the completed application within 12 months after the
19 occurrence of that damage. Upon receipt of a properly completed,
20 timely filed application, the property shall be reassessed in the
21 same manner as required in subdivision (b).

22 (2) This subdivision does not apply where the assessor initiated
23 reassessment as provided in subdivision (a) or (l).

24 (e) The tax rate fixed for property on the roll on which the
25 property so reassessed appeared at the time of the misfortune or
26 calamity, shall be applied to the amount of the reassessment as
27 determined in accordance with this section and the assessee shall
28 be liable for: (1) a prorated portion of the taxes that would have
29 been due on the property for the current fiscal year had the
30 misfortune or calamity not occurred, to be determined on the basis
31 of the number of months in the current fiscal year prior to the
32 misfortune or calamity; plus, (2) a proration of the tax due on the
33 property as reassessed in its damaged or destroyed condition, to
34 be determined on the basis of the number of months in the fiscal
35 year after the damage or destruction, including the month in which
36 the damage was incurred. For purposes of applying the preceding
37 calculation in prorating supplemental taxes, the term "fiscal year"
38 means that portion of the tax year used to determine the adjusted
39 amount of taxes due pursuant to subdivision (b) of Section 75.41.
40 If the damage or destruction occurred after January 1 and before

1 the beginning of the next fiscal year, the reassessment shall be
2 utilized to determine the tax liability for the next fiscal year.
3 However, if the property is fully restored during the next fiscal
4 year, taxes due for that year shall be prorated based on the number
5 of months in the year before and after the completion of restoration.

6 (f) Any tax paid in excess of the total tax due shall be refunded
7 to the taxpayer pursuant to Chapter 5 (commencing with Section
8 5096) of Part 9, as an erroneously collected tax or by order of the
9 board of supervisors without the necessity of a claim being filed
10 pursuant to Chapter 5.

11 (g) The assessed value of the property in its damaged condition,
12 as determined pursuant to subdivision (b) compounded annually
13 by the inflation factor specified in subdivision (a) of Section 51,
14 shall be the taxable value of the property until it is restored,
15 repaired, reconstructed or other provisions of the law require the
16 establishment of a new base year value.

17 If partial reconstruction, restoration, or repair has occurred on
18 any subsequent lien date, the taxable value shall be increased by
19 an amount determined by multiplying the difference between its
20 factored base year value immediately before the calamity and its
21 assessed value in its damaged condition by the percentage of the
22 repair, reconstruction, or restoration completed on that lien date.

23 (h) (1) When the property is fully repaired, restored, or
24 reconstructed, the assessor shall make an additional assessment or
25 assessments in accordance with subparagraph (A) or (B) upon
26 completion of the repair, restoration, or reconstruction:

27 (A) If the completion of the repair, restoration, or reconstruction
28 occurs on or after January 1, but on or before May 31, then there
29 shall be two additional assessments. The first additional assessment
30 shall be the difference between the new taxable value as of the
31 date of completion and the taxable value on the current roll. The
32 second additional assessment shall be the difference between the
33 new taxable value as of the date of completion and the taxable
34 value to be enrolled on the roll being prepared.

35 (B) If the completion of the repair, restoration, or reconstruction
36 occurs on or after June 1, but before the succeeding January 1,
37 then the additional assessment shall be the difference between the
38 new taxable value as of the date of completion and the taxable
39 value on the current roll.

1 (2) On the lien date following completion of the repair,
2 restoration, or reconstruction, the assessor shall enroll the new
3 taxable value of the property as of that lien date.

4 (3) For purposes of this subdivision, “new taxable value” shall
5 mean the lesser of the property’s (A) full cash value, or (B) factored
6 base year value or its factored base year value as adjusted pursuant
7 to subdivision (c) of Section 70.

8 (i) The assessor may apply Chapter 3.5 (commencing with
9 Section 75) of Part 0.5 in implementing this section, to the extent
10 that chapter is consistent with this section.

11 (j) This section applies to all counties, whether operating under
12 a charter or under the general laws of this state.

13 (k) Any ordinance in effect pursuant to former Section 155.1,
14 155.13, or 155.14 shall remain in effect according to its terms as
15 if that ordinance was adopted pursuant to this section, subject to
16 the limitations of subdivision (b).

17 (l) When the assessor does not have the general authority
18 pursuant to subdivision (a) to initiate reassessments, if no
19 application is made and the assessor determines that within the
20 preceding 12 months a property has suffered damage caused by
21 misfortune or calamity, that may qualify the property owner for
22 relief under an ordinance adopted under this section, the assessor,
23 with the approval of the board of supervisors, may reassess the
24 particular property for which approval was granted as provided in
25 subdivision (b) and notify the last known owner of the property
26 of the reassessment.

27 (m) *Notwithstanding subdivision (a), in the case of property*
28 *damaged by the wildfires of January 2025, in the County of Los*
29 *Angeles and the County of Ventura, including, but not be limited*
30 *to, the 2025 Palisades Fire, the 2025 Eaton Fire, the 2025 Hughes*
31 *Fire, and the 2025 Kenneth Fire, the application for reassessment*
32 *may be filed within the time specified in the ordinance or within*
33 *24 months of the misfortune or calamity, whichever is later.*

34 SEC. 3. Section 214 of the Revenue and Taxation Code is
35 amended to read:

36 214. (a) Property used exclusively for religious, hospital,
37 scientific, or charitable purposes owned and operated by
38 community chests, funds, foundations, limited liability companies,
39 or corporations organized and operated for religious, hospital,
40 scientific, or charitable purposes is exempt from taxation, including

1 ad valorem taxes to pay the interest and redemption charges on
2 any indebtedness approved by the voters prior to July 1, 1978, or
3 any bonded indebtedness for the acquisition or improvement of
4 real property approved on or after July 1, 1978, by two-thirds of
5 the votes cast by the voters voting on the proposition, if:

6 (1) The owner is not organized or operated for profit. However,
7 in the case of hospitals, the organization shall not be deemed to
8 be organized or operated for profit if, during the immediately
9 preceding fiscal year, operating revenues, exclusive of gifts,
10 endowments, and grants-in-aid, did not exceed operating expenses
11 by an amount equivalent to 10 percent of those operating expenses.
12 As used herein, operating expenses include depreciation based on
13 cost of replacement and amortization of, and interest on,
14 indebtedness.

15 (2) No part of the net earnings of the owner inures to the benefit
16 of any private shareholder or individual.

17 (3) The property is used for the actual operation of the exempt
18 activity, and does not exceed an amount of property reasonably
19 necessary to the accomplishment of the exempt purpose.

20 (A) For the purposes of determining whether the property is
21 used for the actual operation of the exempt activity, consideration
22 shall not be given to use of the property for either or both of the
23 following described activities if that use is occasional:

24 (i) The owner conducts fundraising activities on the property
25 and the proceeds derived from those activities are not unrelated
26 business taxable income, as defined in Section 512 of the Internal
27 Revenue Code, of the owner and are used to further the exempt
28 activity of the owner.

29 (ii) The owner permits any other organization that meets all of
30 the requirements of this subdivision, other than ownership of the
31 property, to conduct fundraising activities on the property and the
32 proceeds derived from those activities are not unrelated business
33 taxable income, as defined in Section 512 of the Internal Revenue
34 Code, of the organization, are not subject to the tax on unrelated
35 business taxable income that is imposed by Section 511 of the
36 Internal Revenue Code, and are used to further the exempt activity
37 of the organization.

38 (B) For purposes of subparagraph (A):

39 (i) "Occasional use" means use of the property on an irregular
40 or intermittent basis by the qualifying owner or any other qualifying

1 organization described in clause (ii) of subparagraph (A) that is
2 incidental to the primary activities of the owner or the other
3 organization.

4 (ii) “Fundraising activities” means both activities involving the
5 direct solicitation of money or other property and the anticipated
6 exchange of goods or services for money between the soliciting
7 organization and the organization or person solicited.

8 (C) Subparagraph (A) shall have no application in determining
9 whether paragraph (3) has been satisfied unless the owner of the
10 property and any other organization using the property as provided
11 in subparagraph (A) have filed with the assessor a valid
12 organizational clearance certificate issued pursuant to Section
13 254.6.

14 (D) For the purposes of determining whether the property is
15 used for the actual operation of the exempt activity, consideration
16 shall not be given to the use of the property for meetings conducted
17 by any other organization if the meetings are incidental to the other
18 organization’s primary activities, are not fundraising meetings or
19 activities as defined in subparagraph (B), are held no more than
20 once per week, and the other organization and its use of the
21 property meet all other requirements of paragraphs (1) to (5),
22 inclusive, of this subdivision. The owner or the other organization
23 also shall file with the assessor a copy of a valid, unrevoked letter
24 or ruling from the Internal Revenue Service or the Franchise Tax
25 Board stating that the other organization, or the national
26 organization of which it is a local chapter or affiliate, qualifies as
27 an exempt organization under Section 501(c)(3) or 501(c)(4) of
28 the Internal Revenue Code or Section 23701d, 23701f, or 23701w.

29 (E) Subparagraph (A), (B), (C), or (D) shall not be construed
30 to either enlarge or restrict the exemption provided for in
31 subdivision (b) of Section 4 and Section 5 of Article XIII of the
32 California Constitution and this section.

33 (4) The property is not used or operated by the owner or by any
34 other person so as to benefit any officer, trustee, director,
35 shareholder, member, employee, contributor, or bondholder of the
36 owner or operator, or any other person, through the distribution
37 of profits, payment of excessive charges or compensations, or the
38 more advantageous pursuit of their business or profession.

39 (5) The property is not used by the owner or members thereof
40 for fraternal or lodge purposes, or for social club purposes except

1 where that use is clearly incidental to a primary religious, hospital,
2 scientific, or charitable purpose.

3 (6) The property is irrevocably dedicated to religious, charitable,
4 scientific, or hospital purposes and, upon the liquidation,
5 dissolution, or abandonment of the owner, will not inure to the
6 benefit of any private person except a fund, foundation, or
7 corporation organized and operated for religious, hospital,
8 scientific, or charitable purposes.

9 (7) The property, if used exclusively for scientific purposes, is
10 used by a foundation or institution that, in addition to complying
11 with the foregoing requirements for the exemption of charitable
12 organizations in general, has been chartered by the Congress of
13 the United States (except that this requirement shall not apply
14 when the scientific purposes are medical research), and whose
15 objects are the encouragement or conduct of scientific
16 investigation, research, and discovery for the benefit of the
17 community at large.

18 The exemption provided for herein shall be known as the
19 “welfare exemption.” This exemption is in addition to any other
20 exemption now provided by law, and the existence of the
21 exemption provision in paragraph (2) of subdivision (a) of Section
22 202 does not preclude the exemption under this section for museum
23 or library property. Except as provided in subdivision (e), this
24 section shall not be construed to enlarge the college exemption.

25 (b) Property used exclusively for school purposes of less than
26 collegiate grade and owned and operated by religious, hospital, or
27 charitable funds, foundations, limited liability companies, or
28 corporations, which property and funds, foundations, limited
29 liability companies, or corporations meet all of the requirements
30 of subdivision (a), shall be deemed to be within the exemption
31 provided for in subdivision (b) of Section 4 and Section 5 of Article
32 XIII of the California Constitution and this section.

33 (c) Property used exclusively for nursery school purposes and
34 owned and operated by religious, hospital, or charitable funds,
35 foundations, limited liability companies, or corporations, which
36 property and funds, foundations, limited liability companies, or
37 corporations meet all the requirements of subdivision (a), shall be
38 deemed to be within the exemption provided for in subdivision
39 (b) of Section 4 and Section 5 of Article XIII of the California
40 Constitution and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station, and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, limited liability companies, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting

1 all of the requirements of this section shall be deemed to be within
2 the exemption provided for in subdivision (b) of Section 4 and
3 Section 5 of Article XIII of the California Constitution and this
4 section.

5 The amendment of this paragraph made by Chapter 1102 of the
6 Statutes of 1984 does not constitute a change in, but is declaratory
7 of, existing law. However, no refund of property taxes shall be
8 required as a result of this amendment for any fiscal year prior to
9 the fiscal year in which the amendment takes effect.

10 Property used exclusively for housing and related facilities for
11 elderly or handicapped families at which supplemental care or
12 services designed to meet the special needs of elderly or
13 handicapped residents are not provided, or that is not financed by
14 the federal government pursuant to Section 202 of Public Law
15 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public
16 Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law
17 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law
18 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption
19 pursuant to this subdivision unless the property is used for housing
20 and related facilities for low- and moderate-income elderly or
21 handicapped families. Property that would otherwise be exempt
22 pursuant to this subdivision, except that it includes some housing
23 and related facilities for other than low- or moderate-income elderly
24 or handicapped families, shall be entitled to a partial exemption.
25 The partial exemption shall be equal to that percentage of the value
26 of the property that is equal to the percentage that the number of
27 low- and moderate-income elderly and handicapped families
28 represents of the total number of families occupying the property.

29 As used in this subdivision, “low and moderate income” has the
30 same meaning as the term “persons and families of low or moderate
31 income” as defined by Section 50093 of the Health and Safety
32 Code.

33 (g) (1) Property used exclusively for rental housing and related
34 facilities and owned and operated by religious, hospital, scientific,
35 or charitable funds, foundations, limited liability companies, or
36 corporations, including limited partnerships in which the managing
37 general partner is an eligible nonprofit corporation or eligible
38 limited liability company, meeting all of the requirements of this
39 section, or by veterans’ organizations, as described in Section
40 215.1, meeting all the requirements of paragraphs (1) to (7),

1 inclusive, of subdivision (a), shall be deemed to be within the
2 exemption provided for in subdivision (b) of Section 4 and Section
3 5 of Article XIII of the California Constitution and this section
4 and shall be entitled to a partial exemption equal to that percentage
5 of the value of the property that is equal to the percentage that the
6 number of units serving lower income households represents of
7 the total number of residential units in any year in which any of
8 the following criteria applies:

9 (A) The acquisition, rehabilitation, development, or operation
10 of the property, or any combination of these factors, is financed
11 with tax-exempt mortgage revenue bonds, qualified 501(c)(3)
12 bonds, as that term is defined in Section 145 of Title 26 of the
13 United States Code, or general obligation bonds, or is financed by
14 local, state, or federal loans or grants and the rents of the occupants
15 who are lower income households do not exceed those prescribed
16 by deed restrictions or regulatory agreements pursuant to the terms
17 of the financing or financial assistance.

18 (B) The owner of the property is eligible for and receives
19 low-income housing tax credits pursuant to Section 42 of the
20 Internal Revenue Code of 1986, as added by Public Law 99-514.

21 (C) In the case of a claim, other than a claim with respect to
22 property owned by a limited partnership in which the managing
23 general partner is an eligible nonprofit corporation, that is filed
24 for the 2000–01 fiscal year or any fiscal year thereafter, 90 percent
25 or more of the occupants of the property are lower income
26 households whose rent does not exceed the rent prescribed by
27 Section 50053 of the Health and Safety Code. The total exemption
28 amount allowed under this subdivision to a taxpayer, with respect
29 to a single property or multiple properties for any fiscal year on
30 the sole basis of the application of this subparagraph, may not
31 exceed twenty million dollars (\$20,000,000) in assessed value.

32 (D) (i) The property was previously purchased and owned by
33 the Department of Transportation pursuant to a consent decree
34 requiring housing mitigation measures relating to the construction
35 of a freeway and is now solely owned by an organization that
36 qualifies as an exempt organization under Section 501(c)(3) of the
37 Internal Revenue Code.

38 (ii) This subparagraph does not apply to property owned by a
39 limited partnership in which the managing partner is an eligible
40 nonprofit corporation.

1 (2) In order to be eligible for the exemption provided by this
2 subdivision, the owner of the property shall do both of the
3 following:

4 (A) (i) For any claim filed for the 2000–01 fiscal year or any
5 fiscal year thereafter, certify and ensure, subject to the limitation
6 in clause (ii), that there is an enforceable and verifiable agreement
7 with a public agency, a recorded deed restriction, or other legal
8 document that restricts the project’s usage and that provides that
9 the units designated for use by lower income households are
10 continuously available to or occupied by lower income households,
11 subject to the exception in clause (iii), at rents that do not exceed
12 those prescribed by Section 50053 of the Health and Safety Code,
13 or, to the extent that the terms of federal, state, or local financing
14 or financial assistance conflicts with Section 50053 of the Health
15 and Safety Code, rents that do not exceed those prescribed by the
16 terms of the financing or financial assistance.

17 (ii) In the case of a limited partnership in which the managing
18 general partner is an eligible nonprofit corporation, the restriction
19 and provision specified in clause (i) shall be contained in an
20 enforceable and verifiable agreement with a public agency, or in
21 a recorded deed restriction to which the limited partnership
22 certifies.

23 (iii) (I) (ia) In the case of an owner of property that is eligible
24 for and receives a low-income housing tax credit pursuant to
25 Section 42 of the Internal Revenue Code, relating to low-income
26 housing credit, a unit shall continue to be treated as occupied by
27 a lower income household if the occupants were lower income
28 households on the lien date in the fiscal year in which their
29 occupancy of the unit commenced and the unit continues to be
30 rent restricted, notwithstanding an increase in the income of the
31 occupants of the unit to 140 percent of area median income,
32 adjusted for family size. However, the unit shall cease to be treated
33 as a lower income unit if the income of the occupants of the unit
34 increases above 140 percent of area median income, adjusted for
35 family size.

36 (ib) This subclause shall only be operative from the 2018–19
37 fiscal year through the 2027–28 fiscal year.

38 (II) (ia) In the case of an owner of property, other than a
39 property described in subclause (I), that is subject to an enforceable
40 and verifiable agreement with a public agency, a unit shall continue

1 to be treated as occupied by a lower income household if the
2 occupants were lower income households on the lien date in the
3 fiscal year in which their occupancy of the unit commenced and
4 the unit continues to be rent restricted, notwithstanding an increase
5 in the income of the occupants of the unit to 100 percent of area
6 median income, adjusted for family size. However, the unit shall
7 cease to be treated as a lower income unit if the income of the
8 occupants of the unit increases above 100 percent of area median
9 income, adjusted for family size.

10 (ib) This subclause shall only be operative from the 2024–25
11 fiscal year through the 2028–29 fiscal year.

12 (iv) (I) In the case of an owner of property that is a community
13 land trust and whose property is leased to a lower income
14 household, a unit shall continue to be treated as occupied by a
15 lower income household if the occupants were lower income
16 households on the lien date in the fiscal year in which their
17 occupancy of the unit commenced and the unit continues to be
18 rent restricted, notwithstanding an increase in the income of the
19 occupants of the unit to 140 percent of area median income,
20 adjusted for family size. However, the unit shall cease to be treated
21 as a lower income unit if the income of the occupants of the unit
22 increases above 140 percent of area median income, adjusted for
23 family size.

24 (II) This clause shall only be operative from the 2022–23 fiscal
25 year through the 2027–28 fiscal year.

26 (B) Certify that the funds that would have been necessary to
27 pay property taxes are used to maintain the affordability of, or
28 reduce rents otherwise necessary for, the units occupied by lower
29 income households.

30 (3) As used in this subdivision:

31 (A) “Community land trust” has the same meaning as defined
32 in Section 402.1.

33 (B) “Lower income households” has the same meaning as the
34 term “lower income households” as defined by Section 50079.5
35 of the Health and Safety Code.

36 (C) “Related facilities” means any manager’s units and any and
37 all common area spaces that are included within the physical
38 boundaries of the rental housing development, including, but not
39 limited to, common area space, walkways, balconies, patios,
40 clubhouse space, meeting rooms, laundry facilities, and parking

1 areas, except any portions of the overall development that are
2 nonexempt commercial space.

3 (D) (i) “Units serving lower income households” shall mean
4 units that are occupied by lower income households at an affordable
5 rent, as defined in Section 50053 of the Health and Safety Code
6 or, to the extent that the terms of federal, state, or local financing
7 or financial assistance conflicts with Section 50053 of the Health
8 and Safety Code, rents that do not exceed those prescribed by the
9 terms of the financing or financial assistance. Units reserved for
10 lower income households at an affordable rent that are temporarily
11 vacant due to tenant turnover or repairs shall be counted as
12 occupied.

13 (ii) (I) “Units serving lower income households” shall also
14 mean units specified in clause (iii) or (iv) of subparagraph (A) of
15 paragraph (2).

16 (II) This clause shall only be operative from the 2018–19 fiscal
17 year through the 2027–28 fiscal year.

18 (iii) (I) “Units serving lower income households” shall also
19 mean units specified in clause (iv) of subparagraph (A) of
20 paragraph (2).

21 (II) This clause shall only be operative from the 2022–23 fiscal
22 year through the 2027–28 fiscal year.

23 (h) Property used exclusively for an emergency or temporary
24 shelter and related facilities for homeless persons and families and
25 owned and operated by religious, hospital, scientific, or charitable
26 funds, foundations, limited liability companies, or corporations
27 meeting all of the requirements of this section shall be deemed to
28 be within the exemption provided for in subdivision (b) of Section
29 4 and Section 5 of Article XIII of the California Constitution and
30 this section. Property that otherwise would be exempt pursuant to
31 this subdivision, except that it includes housing and related
32 facilities for other than an emergency or temporary shelter, shall
33 be entitled to a partial exemption.

34 As used in this subdivision, “emergency or temporary shelter”
35 means a facility that would be eligible for funding pursuant to
36 Chapter 11 (commencing with Section 50800) of Part 2 of Division
37 31 of the Health and Safety Code.

38 (i) Property used exclusively for housing and related facilities
39 for employees of religious, charitable, scientific, or hospital
40 organizations that meet all the requirements of subdivision (a) and

1 owned and operated by funds, foundations, limited liability
2 companies, or corporations that meet all the requirements of
3 subdivision (a) shall be deemed to be within the exemption
4 provided for in subdivision (b) of Section 4 and Section 5 of Article
5 XIII of the California Constitution and this section to the extent
6 the residential use of the property is institutionally necessary for
7 the operation of the organization.

8 (j) For purposes of this section, charitable purposes include
9 educational purposes. For purposes of this subdivision,
10 “educational purposes” means those educational purposes and
11 activities for the benefit of the community as a whole or an
12 unascertainable and indefinite portion thereof, and do not include
13 those educational purposes and activities that are primarily for the
14 benefit of an organization’s shareholders. Educational activities
15 include the study of relevant information, the dissemination of that
16 information to interested members of the general public, and the
17 participation of interested members of the general public.

18 (k) In the case of property used exclusively for the exempt
19 purposes specified in this section, owned and operated by limited
20 liability companies that are organized and operated for those
21 purposes, the State Board of Equalization shall adopt regulations
22 to specify the ownership, organizational, and operational
23 requirements for those companies to qualify for the exemption
24 provided by this section.

25 (l) (1) (A) *For property impacted by the wildfires of January*
26 *2025, in the County of Los Angeles and the County of Ventura,*
27 *including, but not limited to, the 2025 Palisades Fire, the 2025*
28 *Eaton Fire, the 2025 Hughes Fire, and the 2025 Kenneth Fire, if*
29 *the property received an exemption under this section for the 2025*
30 *calendar year, and the property is no longer being utilized*
31 *exclusively for religious, hospital, scientific, or charitable purposes*
32 *due to damage to the property from the fires, the property shall*
33 *be deemed to be used exclusively for religious, hospital, scientific,*
34 *or charitable purposes in compliance with this section until the*
35 *property has been replaced, new construction has been completed*
36 *on the property, or the property has returned to its prior use.*

37 (B) *In the case of property that received a partial exemption*
38 *under subdivision (g), that property shall be deemed eligible for*
39 *a partial exemption equal to that percentage of the value of the*

1 *property that is equal to the percentage of the partial exemption*
2 *received prior to the fires.*

3 *(2) This subdivision shall only be operative for lien dates on or*
4 *before January 1, 2033.*

5 ~~(t)~~

6 *(m)* The amendments made by Chapter 354 of the Statutes of
7 2004 apply with respect to lien dates occurring on and after January
8 1, 2005.

9 ~~(m)~~

10 *(n)* The amendments made by Chapter 836 of the Statutes of
11 2016 apply with respect to lien dates occurring on and after January
12 1, 2017.

13 ~~(n)~~

14 *(o)* The amendments made by Chapter 694 of the Statutes of
15 2018 apply with respect to lien dates occurring on and after January
16 1, 2019.

17 ~~(o)~~

18 *(p)* Notwithstanding Section 20 or any other law, the State Board
19 of Equalization is responsible for administering the welfare
20 exemption provided by this section, except where the law places
21 responsibility for administering that exemption with the county
22 assessor.

23 SEC. 4. No reimbursement is required by this act pursuant to
24 Section 6 of Article XIII B of the California Constitution for certain
25 costs that may be incurred by a local agency or school district
26 because, in that regard, this act creates a new crime or infraction,
27 eliminates a crime or infraction, or changes the penalty for a crime
28 or infraction, within the meaning of Section 17556 of the
29 Government Code, or changes the definition of a crime within the
30 meaning of Section 6 of Article XIII B of the California
31 Constitution.

32 However, if the Commission on State Mandates determines that
33 this act contains other costs mandated by the state, reimbursement
34 to local agencies and school districts for those costs shall be made
35 pursuant to Part 7 (commencing with Section 17500) of Division
36 4 of Title 2 of the Government Code.

37 SEC. 5. Notwithstanding Section 2229 of the Revenue and
38 Taxation Code, no appropriation is made by this act and the state
39 shall not reimburse any local agency for any property tax revenues
40 lost by it pursuant to this act.

1 SEC. 6. The Legislature finds and declares that a special statute
2 is necessary and that a general statute cannot be made applicable
3 within the meaning of Section 16 of Article IV of the California
4 Constitution because of the devastating wildfires and displacement
5 of residents in the County of Los Angeles and the County of
6 Ventura.

7 SEC. 7. This act is an urgency statute necessary for the
8 immediate preservation of the public peace, health, or safety within
9 the meaning of Article IV of the California Constitution and shall
10 go into immediate effect. The facts constituting the necessity are:

11 To provide immediate economic relief to victims of the January
12 2025 wildfires in the County of Los Angeles and the County of
13 Ventura, it is necessary that this act take effect immediately.