

## MOTION

Revenue and Taxation Code section 170 provides that if a major calamity such as fire, earthquake, or flooding damages or destroys property, property owners may be eligible for property tax relief if the county where the property is located has adopted an ordinance that allows property tax relief to owners of damaged or destroyed property. In such cases, the county assessor will immediately 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.

To qualify for property tax relief, property owners must file a claim with the county assessor within the time specified in the 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 for this property tax 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 mobile homes - it is not available to property that is not assessable, such as state licensed mobile homes or household furnishings.

On October 23, 2015, Southern California Gas (SoCal Gas) Company crews discovered a leak at one of its natural gas wells located in its Aliso Canyon storage field in the Los Angeles County Unincorporated Area adjacent to the Porter Ranch Community. The County Health Department has issued a directive to SoCal Gas to voluntarily relocate individuals requesting it due to the short term health effects of Methyl Mercaptans, the odorous substance added to scentless natural gas as a safety precaution. As of the writing of this motion, nearly 4,000 relocations are in process.

From the December 14th edition of the Daily News:

**The Realtors association recently issued a "red alert" about the leak and the gas and oil field to its more than 9,000 members.**

**It's an addendum to the association's disclosure guidelines about local facilities such as Bob Hope and Van Nuys airports, sites like the old Rocketdyne facilities and areas of high winds, oak tree preservation and wildlife such as coyotes.**

**"Seller and real estate brokers and their agents do not have the expertise to advise buyer on any impact oil wells (or the leak) may have on the subject property," the addendum states. "Buyer is advised to investigate this matter during buyer's investigation contingency period."**

Jim Link, the association's CEO, said the group is concerned with issues such as the leak.

 "We've had for a very long time a local addendum (in addition to the state

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association's guidelines) to deal with issues around the San Fernando Valley. They (agents) should have their buyer read it and sign it," he said about the update regarding the leak and oil well proposal.

**This likely adds up to Porter Ranch being a tough market, at least for a while.**

**"It's going to depress home values for a while. And if it happened once, it will it happen again and is it safe up there," said economist William W. Roberts, director at the San Fernando Valley Economic Research Center at Cal State Northridge. "It's going to make it really hard to sell (homes)."**

It is therefore appropriate to look for some property tax relief for Porter Ranch homeowners, whose property values have suddenly and dramatically been reduced due to the Porter Ranch Gas Leak, leaving many of those homes uninhabitable until the gas leak is resolved. A time period which is, as yet undetermined.

I THEREFORE MOVE that the Council determine, as provided in Section 54954.2(b)(2) of the Government Code, and pursuant to **Rule 23** of the Rules of the City Council, that there is a need to take immediate action on this matter AND that the need for action came to the attention of the City Council subsequent to the posting of the agenda for today's Council meeting.

I FURTHER MOVE that the Los Angeles County Assessor be requested to make affected Porter Ranch homeowners eligible for Revenue and Taxation Code section 170 tax relief, a program that is normally available if a property is damaged or destroyed by a calamity, such as fire or flooding.

I FURTHER MOVE that the Assessor be requested to formally report to the Council with his findings on this matter.

PRESENTED BY:

  
MITCHELL ENGLANDER  
Councilmember, 12<sup>th</sup> District

SECONDED BY:



**ORIGINAL**