



OFFICE OF THE GOVERNOR

OCT 13 2019

To the Members of the California State Assembly:

I am returning Assembly Bill 885 without my signature.

This bill creates a bright-line test to determine whether new construction after a misfortune or calamity is substantially equivalent to the replaced structure, and therefore precluded from reassessment for property tax purposes.

When a disaster destroys a home or structure, current law appropriately prohibits the rebuilding cost of that destroyed property from increasing the assessed value for property tax purposes, as long as the rebuilt home is substantially equivalent to the replaced structure. While I understand the intent of this bill is to provide uniformity across counties and to address instances where code standards require updates that may increase the value of the property, AB 885 goes too far.

Ensuring home and other property owners are not faced with additional property tax burdens following a disaster is important. Providing uniformity in this matter is also a laudable goal. However, the proposed bright-line test in AB 885 should be narrowed to address these issues in a manner that minimizes negative impacts on local revenues.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom