



JEFFREY PRANG
ASSESSOR
COUNTY OF LOS ANGELES
500 WEST TEMPLE STREET, ROOM 320
LOS ANGELES, CALIFORNIA 90012-2770
assessor.lacounty.gov
(213) 974-3101



May 05, 2026

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:

**ADOPT RESOLUTION EXEMPTING FROM PROPERTY TAXATION
ON ALL PERSONAL PROPERTY
HAVING A FULL VALUE OF \$10,000 OR LESS
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request that the Board adopt a resolution exempting all personal property assessments having a full value of \$10,000 or less from property taxation. The resolution will amend previously amended resolutions adopted by the Board on July 19, 2016.

IT IS RECOMMENDED THAT THE BOARD:

Adopt the attached resolution, which has been approved as to form by County Counsel, to provide that until canceled or modified by the Board, there shall be an exemption from property taxation of all personal property assessments having a full value of \$10,000 or less. The exemption does not apply to those assesseses which receive tax bills for more than one personal property assessment if the full value of all personal properties exceeds ten thousand dollars (\$10,000).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

Existing law authorizes the Legislature to allow a county board of supervisors to exempt from property taxation those properties having a full value too low to justify the costs of assessment and collection. Counties in California can set their own threshold for what qualifies as "low value" property, with the maximum threshold being set at \$10,000 of assessed value, per California

Revenue and Taxation Code (Rev. & Tax. Code) Section 155.20. This applies to both real and personal property with de minimus assessed values.

The Board adopted a resolution in 1989 pursuant to the above-mentioned Rev. & Tax. Code Section 155.20 to exempt from property taxation all real property with a base year value and business personal property with a full value of \$2,000 or less.

In 1991, another resolution was adopted to include in the exclusion mobile home accessories with a full value of \$5,000 or less, attached to mobile homes first sold between 1/1/1977 and 7/1/1980 and subject to the California Vehicle License Fee.

Rev. & Tax. Code Section 155.20 has been amended twice to increase the amount of value that the local Board of Supervisor can resolve to adopt to exempt for taxation. The first amendment in 1995, the low value maximum was set at \$5,000. Currently, the amount which can be exempted now is up to \$10,000.

On July 19, 2016, the Board adopted a resolution, at the recommendation of the Assessor and the Director of Consumer and Business Affairs, exempting all personal property assessments having a full value of \$5,000 or less from property taxation.

In 2025, Assessor staff were directed to re-evaluate the feasibility and cost effectiveness of reducing the personal property tax to businesses with aggregate estimated values below a predetermined threshold. The Assessor's analysis of property tax revenue indicates that support for a new exemption from property tax is appropriate and supportable based on potential cost savings that may be reallocated to enhance operational efficiencies by deploying staff to work on higher value assessments. This analysis indicates that thresholds should be raised to \$10,000 for all personal property, beginning with the January 1, 2027 lien date. The current threshold is \$5,000, which was established by the Board in 2016.

In order to implement this proposal, the Board will need to amend the previous resolution.

FISCAL IMPACT/FINANCING

The analysis of this change to the low value exclusion indicates that assessments of personal property under \$10,000 consistently generate less revenue than the costs of assessing and collecting them. Our records show that, on average, the cost of assessments under \$10,000 exceed the revenue by more than \$75.00 per bill.

The impact of implementing this update of the existing low-value resolution is a minor reduction in the overall assessment roll, and related tax relief for small businesses and others. It will also enable the Assessor to reallocate staff toward higher-value assessments thereby enhancing operational efficiency. The reduction in roll value, beginning with the 2027 lien date, is anticipated to be approximately \$370,000,000. The overall tax relief for these parcels is expected to be about \$4,625,000, benefiting approximately 47,000 taxpayers. The net revenue impact to the County will decrease approximately \$999,000 (based on 27% of the 1% general tax rate).

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The recommendation that the Board amend the previous resolution to provide an exemption from

property taxation all personal property having a full value of \$10,000 or less is legally permissible.

The exemption does not apply to those assesseees which receive tax bills for more than one personal property assessment if the full value of all personal properties exceeds ten thousand dollars (\$10,000). Application of this exemption only applies to unsecured personal property assessments that are not part of an appraisal unit.

Rev. & Tax. Code Section 155.20 provides that a county board of supervisors may exempt from property tax all real property with a base year value and personal property with a full value of not more than ten thousand dollars (\$10,000), that, if not exempt, the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them.

The previous resolution was adopted on July 19, 2016, exempting in relevant part all real property with a base year value and personal property with a full value of \$5,000 or less.

The amended resolution will leave all other provisions of the original October 10, 1989, resolution intact.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this recommendation will provide tax relief to local businesses from taxation of low value personal property.

The Auditor Controller and Treasurer and Tax Collector support the increase of the low value threshold for assessing unsecured personal property taxes because of the impact to taxpayers. The low dollar billings are easy for taxpayers to overlook or forget about when updating their billing address. Failure to pay any unsecured tax bill results in the imposition of penalties and costs, as provided in the Rev. & Tax. Code and County Code. Often, for these small dollar billings, penalties and costs can exceed the original tax amount. In addition, failure to pay any unsecured tax bill results in the filing of a tax lien, which affects a taxpayer's credit for up to seven years.

The Honorable Board of Supervisors

5/5/2026

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jeffrey Prang". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

JEFFREY PRANG

Assessor

JP:DS:LL:SPT

Enclosures

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

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES

WHEREAS, Revenue and Taxation Code section 155.20 provides that the County of Los Angeles (County) Board of Supervisors (Board) may exempt from property taxes all real property with a base year value and personal property having a full value of not more than ten thousand dollars (\$10,000), that if not exempt, the total taxes, special assessments and applicable subventions on that property would amount to less than the cost of assessing and collecting them; and

WHEREAS, the Board may enact, amend or cancel such an exemption prior to the lien date for any tax year, to be effective for that tax year and for succeeding tax years until further action by such board of supervisors; and

WHEREAS, the Board adopted a resolution on October 10, 1989, consistent with Revenue and Taxation Code section 155.20 as it existed at that time, exempting in relevant part all real property with a base year value and personal property with a full value of two thousand dollars (\$2,000) or less; and

WHEREAS, the Board amended the October 10, 1989 resolution on July 19, 2016, exempting in relevant part all real property with a base year value and personal property with a full value of five thousand dollars (\$5,000) or less; and

WHEREAS, the County's Assessor Office (Assessor) has advised and recommends, and this Board has thereby determined, that the cost of assessing personal property with a full value of ten thousand dollars (\$10,000) or less, and collecting the taxes, special assessments and subventions on such properties would exceed the revenue to be generated.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

(1) For Fiscal Year (FY) 2027-2028, and for each Fiscal Year thereafter unless amended or rescinded by this Board, all personal property with a full value of ten thousand dollars (\$10,000) or less is exempt from property taxation.

(2) This exemption does not apply to any assessee that receives tax bills for more than one personal property assessment if the combined full value of all such personal property exceeds ten thousand dollars (\$10,000). Application of this exemption is limited to unsecured personal property assessments that are not part of an appraisal unit.

BE IT FURTHER RESOLVED that all other provisions of the October 10, 1989, resolution remain intact.

The foregoing Resolution was on the __ day of _____ 2026, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

EDWARD YEN
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Deputy County Counsel