**COUNTY OF LOS ANGELES**
**DEPARTMENT OF AUDITOR-CONTROLLER**

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December 1, 2026

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

Dear Supervisors:

**A RESOLUTION OF THE BOARD OF SUPERVISORS ADOPTING CHAPTER 2.1 OF PART 5 OF DIVISION 1 OF THE CALIFORNIA REVENUE & TAXATION CODE TO ESTABLISH TWO-INSTALLMENT BILLING FOR PERSONAL PROPERTY TAXES ON THE SECURED ROLL BEGINNING FISCAL YEAR 2031-32**
**(ALL DISTRICTS – 3 VOTES)**

## SUBJECT

The Departments of Auditor-Controller (A-C) and Treasurer and Tax Collector (TTC) request approval to Adopt Chapter 2.1 of Part 5 of Division 1 of the California Revenue & Taxation Code (RTC) to Implement Two-Installment Billing for Real and Personal Property Taxes on the Secured Roll Beginning Fiscal Year (FY) 2031-32.

## IT IS RECOMMENDED THAT THE BOARD:

Adopt the attached resolution implementing, beginning in Fiscal Year (FY) 2031-32, Chapter 2.1 of Part 5 of Division 1 of the RTC (Chapter 2.1) for both real and personal property taxes enrolled on the secured roll, thereby superseding the application of RTC Section 2605 for personal property installment requirements.

## PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Under current law, RTC Section 2605 requires all personal property taxes enrolled on the secured roll to be paid in full with the first installment, while taxes on real property are paid in two equal installments. This Board action will supersede the application of RTC 2605 by resolution per RTC Section 2700.

The A-C's fiscal analysis found that personal property taxes represent approximately 0.58% of total ad valorem property tax revenue over the past five fiscal years. Because personal property comprises such a small portion of the secured roll, adopting a two-installment structure for personal property will have a minimal impact on the County and local taxing entities' cash flow and revenue timing.

Aligning personal property tax billing with real property billing will modernize the County's tax collection process and reduce administrative burden across departments.

Adopting the resolution now and establishing FY 2031-32 as the effective year will allow the A-C and TTC sufficient lead time to configure the upcoming property tax system replacement, eTAX, and execute the necessary transition steps in advance of the projected July 1, 2031 system go-live date.

## Implementation Of Strategic Plan Goals

Approval of this action is consistent with the Strategic Plan North Star III.C - Realize Tomorrow's Government Today, Equity-Centered Policies and Practices. The resolution will institutionalize consistent, equitable tax collection procedures that reduce administrative burdens and improve fairness in how secured roll taxes are billed and processed. It also reinforces the County's commitment to transparent, equitable administration by applying uniform installment rules across all property types in alignment with equity-driven operational practices.

## FISCAL IMPACT/FINANCING

The recommended action has no significant fiscal impact. Personal property taxes account for less than one percent of secured roll revenue and do not materially affect cash flow or revenue availability. The change to two installments will not affect overall budget planning or Countywide fiscal operations.

## FACTS AND PROVISIONS/LEGAL REQUIREMENTS

RTC Section 2700 authorizes a county board of supervisors to order, by resolution, for the provisions of Chapter 2.1 to be applicable in and for any county where the Board adopts a resolution prior to the time the county auditor is required to compute and enter on the secured roll the respective amounts due in installments as taxes for the assessment year in which the resolution becomes effective.

The attached Resolution adopts Chapter 2.1 as the governing provisions for installment payments of both real and personal property taxes on the secured roll beginning in FY 2031-32. These provisions establish two equal installments due November 1 and

February 1, replacing the one-installment requirement for personal property under RTC Section 2605.

## IMPACT ON CURRENT SERVICES (OR PROJECTS)

Implementing the new installment structure will lower future system complexity, reduce custom billing logic, and support clean migration into eTAX. A transition and correction strategy will be developed to address legacy bills issued under the current RTC Section 2605 methodology.

## CONCLUSION

Upon execution by your Honorable Board, please return one original adopted copy to the Auditor-Controller's Executive Office.

Respectfully submitted,

OSCAR VALDEZ
Auditor-Controller

OV:CY:MA:LS:em

Enclosure

c: Joseph M. Nicchitta, Chief Executive Office
Dawyn R. Harrison, County Counsel
Elizabeth Buenrostro Ginsberg, Treasurer and Tax Collector
Jeffrey Prang, Assessor
Edward Yen, Executive Officer, Board of Supervisors
Audit Committee
Countywide Communications

**RESOLUTION NO._____**

**A RESOLUTION OF THE BOARD OF SUPERVISORS ADOPTING CHAPTER 2.1 OF PART 5 OF DIVISION 1 OF THE CALIFORNIA REVENUE & TAXATION CODE TO ESTABLISH TWO-INSTALLMENT BILLING FOR PERSONAL PROPERTY TAXES ON THE SECURED ROLL BEGINNING FISCAL YEAR 2031-32**

**WHEREAS**, Section 2700 of the California Revenue & Taxation Code (RTC) permits the board of supervisors of any county, by resolution, to order Chapter 2.1 of Part 5 of Division 1 of the RTC (Chapter 2.1) to be applicable to that county and thereby adopt the statutory framework for collection of secured property taxes in two equal installments, with due dates of November 1 and February 1;

**WHEREAS**, County of Los Angeles currently follows the default provisions of RTC § 2605, requiring all personal property taxes on the secured roll to be paid in full with the first installment, in contrast to real property taxes, which are divided evenly into first and second installments;

**WHEREAS**, this Board finds it is in the best interest of the County and its taxpayers to formally adopt and apply Chapter 2.1 as part of the County's tax collection procedures, superseding RTC 2605;

**NOW, THEREFORE, THE BOARD OF THE COUNTY OF LOS ANGELES HEREBY RESOLVES AS FOLLOWS:**

1. That beginning with the Fiscal Year 2031-32, that the Board of Supervisors orders and adopts in and for the County of Los Angeles, the provisions of Chapter 2.1 of Part 5 of Division 1 of the California Revenue and Taxation Code for both real and personal property taxes on the secured roll; and

   That beginning with the Fiscal Year 2031-32 secured roll, County of Los Angeles shall require two equal installments for both real and personal property taxes on the secured roll, with due dates of November 1 and February 1, consistent with State law; and

2. That the Auditor-Controller and Treasurer and Tax Collector shall coordinate system configuration, policy implementation, secured roll preparation, and rollout activities necessary for the change, ensuring alignment with the projected July 1, 2031 eTAX go-live.

The foregoing resolution was adopted on the _____ day of _____, 2026 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-Clerk
of the Board of Supervisors of
the County of Los Angeles

By:_____
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON,
County Counsel

By: Michael S. Buennagel Digitally signed by Michael S. Buennagel Date: 2026.11.05 15:29:51 -08'00'

Michael Buennagel
Deputy County Counsel