

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF SAN BERNARDINO COUNTY  
AND RECORD OF ACTION**

September 23, 2025

**FROM**

**ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector**

**SUBJECT**

Partial Payments of Secured Property Taxes

**RECOMMENDATION(S)**

Adopt **Resolution No. 2025-207** rescinding the operation of Section 4717 of the Revenue and Taxation Code to the extent authorized by Board Resolution No. 93-196, and approving the acceptance of partial payments of secured property taxes beginning in Fiscal Year 2025-26, as authorized by the provisions of Revenue and Taxation Code sections 2636, 2708, and 4143. (Presenter: Ensen Mason, Auditor-Controller/Treasurer/Tax Collector, 382-7000)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**FINANCIAL IMPACT**

Approval of this item may reduce Discretionary General Funding (Net County Cost). Under the Teeter Plan, the County advances 100% of their property tax levies to participating local agencies, even if taxpayers do not pay on time. When taxes are delinquent, the County covers the shortfall and in return collects the penalties and interests, which become additional discretionary revenue to the County. If partial payments are allowed, some delinquent accounts may reduce in value if taxpayers take advantage of this service. This means there would be fewer penalties and less interest collected over any delinquent balances. As a result, the County could see a reduction in discretionary revenue from penalties and interest collected.

**BACKGROUND INFORMATION**

Secured property taxes are billed annually in October and are payable in two installments. The first installment is due November 1 and becomes delinquent after December 10, and the second installment is due February 1 and becomes delinquent after April 10. As prescribed by the Revenue and Taxation Code (RTC), delinquent bills incur a 10% penalty, and the second installment includes an additional \$10 penalty if unpaid by the deadline. Taxes that remain unpaid as of June 30 become defaulted and begin accruing statutorily imposed interest at a rate of 1.5% per month, along with a \$15 redemption fee, until the balance is paid in full.

On June 29, 1993 (Item No. 19), the Board of Supervisors (Board) adopted Resolution No. 93-196, implementing the Teeter Plan under RTC sections 4701-4717. This plan requires the County to advance 100% of secured tax roll revenues, including the supplemental roll, to participating agencies—currently 112 in total—regardless of the amount collected. The

## **Partial Payments of Secured Property Taxes September 23, 2025**

difference between the levy and the collections is funded by the Tax Loss Reserve Fund, which is replenished through delinquent tax payments, penalties, interest, and other eligible sources.

Pursuant to RTC section 4717, partial payments must be placed in trust and refunded if the taxpayer does not pay the balance by the June 30 default date. Due to the complexities of implementing RTC section 4717, the current process is to return any partial payments to the taxpayer with a letter instructing them on the process. This process is administratively cumbersome, delays the apportionment of funds to agencies, and can result in penalties being imposed on the entire amount due. Alternatively, the provisions of RTC sections 2636, 2708, and 4143 permit partial payments to be applied first to penalties, interest, and costs, with the remaining balance credited toward the taxes due, and allow the immediate apportionment of collected funds to the County's General Fund, cities, schools, and special districts.

The County's prior property tax system could not accommodate the acceptance of partial payments in accordance with RTC sections 2636, 2708 and 4143. However, the County implemented TaxSys, a new property tax system, on July 14, 2025. TaxSys has the ability to accept partial payments for secured property taxes as provided in RTC sections 2636, 2708, and 4143. The new system enables automated calculation of penalties and interest, tracking of partial payments, and real-time apportionment without added staffing. Adoption of the recommended resolution will rescind the County's prior opt-in to RTC section 4717 and instead adopt the process for acceptance of partial payments in accordance with RTC sections 2636, 2708 and 4143.

The exact fiscal impact of accepting partial payments on collections and the Tax Loss Reserve Fund is not yet certain. However, the change is expected to offer several potential advantages. For taxpayers, this change will allow more manageable payments of any size at any time during the year, reducing the interest and penalty burden on the amounts already paid and offering flexibility for those with limited income. By allowing earlier apportionment of partial payments, the County could reduce the number of accounts requiring advances from the Tax Loss Reserve Fund. This would lessen the reliance on reserve funds while improving cash flow for both the County and participating agencies. A shift toward partial payments reflects a more responsive, fiscally responsible, and taxpayer-centered approach.

Historical trends indicate that most delinquent secured property taxes are recovered within a predictable six-year period, with approximately 61% collected in the first year and nearly all by the sixth year. Partial payments may accelerate this recovery pattern by enabling taxpayers to contribute earlier and more frequently without having to pay the full balance at once. This, in turn, reduces the number of accounts falling into long-term default and helps stabilize the revenue stream supporting the Teeter Plan.

While there is a possibility that payment flexibility could lead to more accounts remaining partially unpaid, the County's strong financial position minimizes this risk. Given the reserve's stability and the County's ongoing ability to advance 100% of secured levies to participating agencies, the policy change represents a low fiscal risk with substantial taxpayer and operational benefits.

This item only concerns the acceptance of partial payments for secured property, as the Board previously approved the acceptance of partial payments for unsecured property taxes on September 14, 1999 (Item No. 7).

### **PROCUREMENT**

**Partial Payments of Secured Property Taxes  
September 23, 2025**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Kristina Robb, Deputy County Counsel, 387-5455) on August 27, 2025; and County Finance and Administration (Jenny Yang, Administrative Analyst, 387-4884) on September 9, 2025.

**Partial Payments of Secured Property Taxes  
September 23, 2025**

Record of Action of the Board of Supervisors  
San Bernardino County

**APPROVED (CONSENT CALENDAR)**

Moved: Joe Baca, Jr. Seconded: Curt Hagman  
Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: September 23, 2025



cc: File - Auditor-Controller/Treasurer/Tax Collector w/resolution  
CCM 10/1/2025