

Guide to Property Taxes



Property Tax Defined

Property tax is a tax administered by local government districts. Tax rates vary from county to county and are based on a predetermined percentage of an annually assessed value of each individual property. Property taxes are paid in biannual installments.

Paying Property Taxes On Your Newly Purchased Home

Paying your first year of property taxes can be tricky, depending on when you close escrow on your new home. If your property is in escrow, and the sellers have just paid property taxes, then your agent should request proof of payment. Because it can take up to six weeks for a property tax payment to post, the preliminary title report may show that property taxes are still due. Proof of property tax payment by the seller will allow escrow to close successfully without a potential tax hold.

If you purchased your property between January and October, your property tax bill may be forwarded to the seller's new address. If you do not receive your property tax bill by the middle of October, contact your County Tax Collector and request that a duplicate tax bill be sent to you. You are still obligated to pay your first property tax installment by the November 1st due date, even if you have not received a tax bill from the county. *Refer to the tax calendar on the reverse side to help you keep track of important property tax due dates and the penalties for delinquent payments.*

If you close escrow near December 10th or April 10th, and the seller has not yet paid property taxes, then the seller will need to make a cashier's check or personal check payable to the Tax Collector and forward it to the escrow holder. The escrow holder will see that the title company forwards it to the County. If the personal check does not clear by the escrow close date, then a hold may be required.

What Is an Impound Account?

An impound account is a convenient way for borrowers to ensure that their property tax and insurance payments are paid in a timely manner. Your lender can set up an impound account which will allow them to collect property tax and hazard insurance payments from you on a monthly basis. The impound payment is collected with your monthly mortgage principal and interest payment and is calculated by taking your yearly tax and annual insurance payment and amortizing it over 12 months, along with a mandatory pad of at least two additional months worth of payments for each. The lender will pay the County Tax Collector and the insurance company directly by drawing the property tax and the insurance premium from the account when the property tax installments are due (November and February) and when the insurance premium is due.



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PROPERTY TAX CALENDAR

JANUARY	FEBRUARY	MARCH
<p>Jan. 1st Tax Assessment Date</p>	<p>Feb. 1st 2nd Tax Installment due</p> <p>Feb. 10th Last day to file Homeowner's, Veterans & Sr. Citizen's exemption 100%</p>	<p>Mar. 1st Taxes on unsecured roll</p>
APRIL	MAY	JUNE
<p>April 10th 2nd Tax Installment delinquent</p> <p>Add 10% penalty plus \$10.00 additional fee. Penalty & fee valid from April 10th - June 30th</p>		
JULY [New Fiscal Year]	AUGUST	SEPTEMBER
<p>July 1st - One or Both Tax Installments Still Delinquent</p> <p>Add 10% Penalty, \$15.00 fee, plus additional 1.5% per mo. July 1st - Homeowners informed of new property values</p>		
OCTOBER	NOVEMBER	DECEMBER
	<p>Nov. 1st 1st Tax Installment due</p>	<p>Dec. 1st - Last day to file Homeowner's, veterans & Sr. Citizen's exemption 80%</p> <p>Dec. 10th - 1st Tax Installment Delinquent</p> <p>Add 10% Penalty plus \$10.00 additional fee.</p>



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