

Property Taxes

If you have a transaction that is going or about to go through escrow, the following information may be important for you.

1. You should contact your escrow officer or title company to find out if the property taxes are open or paid. If there are any steps that are required to take they will be able to guide you.
2. If a current payment (Tax installment) wasn't paid then it **MUST NOT** be paid directly. Instead you should prepare a cashier's check or a money order for the payment amount and payable to the stated county tax collector. This payment should be forwarded to the escrow company at least 3 business days before delinquency. This will allow escrow to verify the tax payment and prevent delays of up to 6 weeks and possible double payments.
3. Any installment of a new tax bill can be paid from the proceeds of a sale at the close of escrow. However, there will be at least a 10% penalty if escrow closing is after the delinquency date.
4. If either or both payments cannot be verified but seller claims they were paid, seller will have to provide cancelled checks to prove these payments.
5. If the lender has an impound account, taxes will be paid from that account prior to the delinquency date. Note that if the loan is paid prior to the tax's due date, the lender may apply the tax money they are holding to the payoff amount and not to pay the taxes.