

# When Property Taxes Become Defaulted...A Cause For Redemption



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This pamphlet, produced at the direction of the Ventura County Treasurer-Tax Collector, explains what happens when property taxes are left unpaid, outlines the penalties associated with delinquent taxes, and describes an installment plan to redeem property on which defaulted taxes are owed.

### **What happens if I fail to pay my property taxes on time?**

If you do not pay the first installment of your annual tax bill at the Tax Collector's Office by 5 p.m. on December 10, or payment is not postmarked by that time and date, then that installment becomes delinquent, and a 10% delinquent penalty is incurred. If you fail to pay the second installment at the Tax Collector's Office by 5 p.m. on April 10, or payment is not postmarked by that time and date, it becomes delinquent and a 10% penalty on the unpaid taxes and an administrative charge of \$30 are added. Likewise, if you fail to pay any supplemental tax bill installment by the applicable delinquency date, the same penalties and charges accrue as for delinquent annual taxes. If either December 10 or April 10 falls on a weekend or holiday, taxes are not delinquent until 5 p.m. the next business day.

If there are ANY unpaid delinquent taxes as of 5 p.m. on June 30, then the property becomes tax defaulted. Once the property has become tax defaulted, a redemption fee of \$15 is added and additional penalties begin to accrue at the rate of 1½% per month on the unpaid taxes. This monthly penalty is added at 5 p.m. on the last day of each month (or the following business day if the last day of the month falls on a weekend or holiday). If June 30 falls on a weekend or holiday taxes must be paid by 5 p.m. of the last business day of June or the property will be tax defaulted.

### **What happens if I fail to pay my delinquent taxes?**

Your taxes can remain unpaid for a maximum of five years following their tax default, at which time your property becomes subject to the power of sale. This means that your property will be sold at a public auction or acquired by a public agency if you do not pay the taxes before the date on which the property is

offered for sale or acquisition. When property becomes subject to sale, additional fees will apply.

### **What is the amount required to redeem tax-defaulted property?**

The amount needed to redeem tax-defaulted property in full is the sum of the following:

1. The total amount of unpaid taxes for all delinquent years.
2. A 10% penalty on every unpaid installment.
3. A \$30 administrative charge for each delinquent year.
4. Monthly penalties of 1½% of the unpaid taxes accrued to date.
5. A redemption fee of \$15.

### **How do I obtain the amount required to redeem my property?**

To obtain the amount required to redeem your property, you can contact the Tax Collector's Office by calling (805) 654-3744 or visit our website at [www.prop-tax.countyofventura.org](http://www.prop-tax.countyofventura.org).

You will need to provide the Assessor's Identification Number (consisting of the map book page, and parcel number), which you can find on a previous tax bill, or the address of the property. Also be sure to specify the date on which you wish to redeem so that the penalty can be calculated properly.

### **Can I redeem one delinquent year separately from other years?**

No, one year's delinquent taxes may not be redeemed separately from other years' delinquent taxes. When the redemption amount is calculated, the total taxes owed for all delinquent years are combined together.

### **What happens if I cannot pay the full redemption amount?**

If you are unable to pay the full redemption amount (i.e., unpaid taxes for all delinquent years plus penalties and charges) you may open an installment plan of

redemption. This plan allows you to make payments on your delinquent taxes over a five-year period beginning the date you open the installment account.

### **How do I open an installment plan of redemption?**

To open an installment plan, you must:

1. Make an initial payment of 20% or more of the redemption amount plus interest. The initial payment will also include a \$173 administration fee. The Tax Collector's Office will calculate the initial payment on request.
2. Pay your current year's taxes.

If you open an installment account between July 1 and the following April 10, the current year's taxes and any supplemental taxes must be paid by April 10 or the account will default. To open an account between April 11 and June 30, the current year's taxes (plus any penalties and charges) must first be paid in full along with the initial plan payment.

### **When may I open an installment account?**

You can open an installment account after the date on which the property has become tax defaulted (June 30) and within five years of that date (at which time your property becomes subject to the power of sale).

If you wish to open an account or wish detailed information about an installment plan of redemption, contact the Tax Collector's Office at (805) 654-3744.

### **How often will I be required to make installment payments?**

Under the installment plan you are required to make one payment each year for five years, in addition to paying each year's annual taxes. By each April 10 you must make a payment of 20% or more of the redemption amount, plus interest (which accrues at the rate of 1½% per month on the unpaid balance once the account has been opened). If you fail to make any installment payment or fail to

pay your current year's taxes or any supplemental taxes on or before April 10 of each year, then your account will default.

You can, however, pay the total unpaid balance plus accrued interest any time before the fifth and final payment is due.

**Do my installment payments cover my current annual taxes?**

No. Your installment payments NEVER include your current year's taxes, which must be paid separately.

**If my first installment account defaulted, may I open a second account?**

If your first account defaults either because of your failure to make at least one installment payment between July 1 and April 10, or because of your failure to pay your current year's taxes in full by April 10, you may open another account in the following fiscal year provided less than 5 years have passed since the first year of default.

If you defaulted your plan a second time, you may open a third installment account in the following fiscal year, provided less than 5 years have passed since the first year of default.

An installment plan may not be started or reinstated once five years have lapsed. Any installment that remains unpaid for five years will cause the property to be defaulted with Tax Collector's Power to Sell. A Five-Year Plan in good standing protects the property from sale.

Property, which has become subject to Tax Collector's Power to Sell will be sold at public auction or acquired by a public agency. The property may be redeemed up until the close of business the day before the sale by paying the total amount due with cash or guaranteed funds.

Each time you open an account, you have five years to pay the full redemption amount. However, it is to your advantage not to default on an installment account, since there is an additional penalty. When a second or third installment account is

opened, the redemption amount is computed as though no previous payments had been made. This means you will be charged the 1½% monthly penalty on the unpaid taxes as though none of those taxes had been paid. However, as soon as the first payment on the second or third account has been made, you will be given credit for any previous payments.