

# Payment Plans

The Treasurer-Tax Collector offers two types of payment plans to assist taxpayers in managing their tax obligations:

- **Five-Year Payment Plan** – Available for taxpayers with tax-defaulted property.
- **Four-Year Escape Tax Bill Payment Plan (Five-Payment)** – Available for taxpayers with escape assessment tax bills.

## Five-Year Payment Plan

This plan may be available to taxpayers who have been in default for **less than five years**. However, **it is not available if current-year taxes are unpaid**.

### Eligibility & Deadline:

- This plan allows taxpayers to pay **defaulted taxes in installments**.
- The deadline to enroll is **5 p.m. on the last business day of the fifth fiscal year after the property became tax-defaulted**.
- Example: If your property became tax-defaulted on **June 30, 2017**, you have until **5 p.m. on June 30, 2022**, to start a payment plan.
- If you do not enroll by the deadline, the property may be subject to **sale at the annual tax auction**.

### How to Start a Payment Plan:

To enroll, you must:

- ✓ **Complete, sign, and submit the Five-Year Payment Plan Contract** before the deadline.
- ✓ **Pay at least 20%** of the total amount due, plus **all current-year taxes**.

### ✦ Important Notes:

- A payment plan **will not prevent foreclosure or a forced impound account** by a mortgage holder or lienholder. Contact your bank or lender if needed.
- The plan **does not stop foreclosure** for delinquent **Improvement Bond Act of 1915** or **Mello-Roos Community Facilities Act of 1982** obligations.

### Staying in Good Standing:

To remain enrolled, you must:

- ✓ Pay at least **20% of the redemption amount**, plus interest and all current-year taxes, by **April 10th** of each following year. You are welcome to make **additional payments** at any time during the term of the payment plan, as long as you meet the **20% requirement** for each year of the payment plan. Each

annual payment must be **equal to or greater than 20% of the original redemption amount** plus accrued interest.

- You may **pay off the remaining balance in full at any time** before the fifth and final payment is due.

### **Defaulting on Your Payment Plan:**

Your plan will **default** if you:

- ✗ Fail to make a scheduled payment or pay current-year taxes by **April 10th**.
- ✗ Allow the property to become subject to tax auction.

### **If you default:**

- You cannot restart a payment plan **within the same fiscal year**.
- A new plan can be started on or **after July 1st**, but **previous payments (default credit) will not count toward the new plan**.
- After **five years of tax default**, the property becomes subject to **sale by the Tax Collector**.

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## **Four-Year Escape Tax Bill Payment Plan**

Escape tax bills are issued when property assessments change and were not included on prior tax bills. If eligible, these bills may be paid over **four years** without penalties.

### **Eligibility:**

- ✓ The escape tax bill must be for a **prior fiscal tax year**.
- ✓ The total amount due must be **greater than \$500**.
- ✓ A **Four-Year Escape Payment Plan Agreement** must be completed and submitted before **April 10th** or by the extension date listed on the bill.
- ✓ At least **20% of the escape bill**, plus all **other due taxes**, must be paid at the time of enrollment.

### **Staying in Good Standing:**

- ✓ Each following year, **20% of the original amount** plus interest, if applicable, must be paid by **April 10th**.

### **Defaulting on Your Payment Plan:**

Your plan will **default** if any of the following occurs:

- ✘ The required **20% installment is not paid by April 10th** each year.
- ✘ Current-year taxes are **not paid in full** by **April 10th** each year.
- ✘ All secured property tax bills remain **unpaid**.
- ✘ The **property ownership changes** while on the plan.

Once a plan is **defaulted**, penalties will apply, and the full balance will be due immediately.

For more information or assistance, please contact our office. 866-220-0308