

A GUIDE TO PREPARING CHAPTER 8 PURCHASE BY NONPROFITS

At any time after the Tax Collector records a Notice of Power to Sell for a tax-defaulted property pursuant to [Revenue and Taxation Code §3691](#), any eligible taxing agency, revenue district, city, special district, or nonprofit organization may purchase tax-defaulted property ([R & T Code §3791 et seq.](#)). As the Chapter 8 Tax Sale is initiated by an outside agency, the scheduling of such a sale is not predictable. However, once an application to purchase and an objection to the sale is received, there is a well-defined schedule that should be followed, with certain tasks and related timelines dictated by statute.

The qualifications for this type of sale are:

1. Public agency (includes the State, counties, cities, taxing agencies, revenue districts, special districts, and other state agencies).
2. Nonprofit organization (must be an entity that includes among its Articles of Incorporation filed with the California Secretary of State stating an express purpose of acquiring single-family or multifamily dwellings for rehabilitation and sale or rent to low-income persons, or for other use to serve low-income persons; vacant land for the purpose of constructing residential dwellings for subsequent sale or rent to low-income persons, or for other use to serve low-income persons, or for dedication of that vacant land to public use ([R & T Code §3772.5](#))).

The new list of tax defaulted properties will be available mid-July. If you believe you meet the criteria, click [here](#) to request the list and application to purchase tax defaulted properties or to submit a question.