

# CHECKLIST OF MANDATORY REQUIREMENTS

## CHAPTER 8 AGREEMENT

RESOLUTION/AGREEMENT SALE NO. \_\_\_\_\_ DATED \_\_\_\_\_

The following requirements should be fulfilled by the tax collector to lawfully initiate, process, and complete a tax sale by agreement under Division 1, Part 6 of the California Revenue and Taxation Code. Unless otherwise noted, all code section citations are from the California Revenue and Taxation Code. **(Note: Additional details and time lines are located in the County Tax Sale Procedural Manual Volume II: Chapter 8 Tax Sales.)**

### Agreement Processing:

- Obtain required documents from the purchasing entity.
  - *Application to Purchase Tax Defaulted Property* (SCO 8-16) (§3695.4, §3695.5);
  - An objection letter if the parcel is scheduled for a Chapter 7 Tax Sale (§3695, §3695.4, §3695.5)
  - A Chapter 8 purchase resolution from the purchaser's governing body (§3695);
  - A signed/dated Agreement to Purchase Tax Defaulted Property (§3695.4, §3695); and
  - Other documentation as required by the county (§3795.5).
- If the purchaser is the State or the county, obtain approval of the purchase price from the county board of supervisors and the State Controller. In addition, if the property is within a city's limits, approval from the city is required (§3775). See the State Controller's Office sample form, *Agreement to Purchase Tax Defaulted Property* (SCO 8-13).
- Submit to the State Controller for approval the executed agreement and any other required documents (§3795).
- Following agreement approval and direction from the State Controller the tax collector shall give notice of the agreement (§3796, §3797).
- Mail a copy of the notice to each assessee and party of interest not less than 45 but no more than 60 days prior to the effective date of the agreement (§3799).
- Mail the notice of agreement sale to the IRS (26 U.S. Code §7425).
- Publish and/or post the notice of agreement. The first publication and/or posting shall be started not less than 21 days prior to the effective agreement date (§3798, §3802).
- The agreement becomes effective no sooner than 5:01 pm on the 21<sup>st</sup> day after the first publication of the notice of agreement (§3802).
- Prepare an affidavit showing notice of agreement has been given as prescribed. The affidavit shall be filed in the office of the county tax collector (§3801).

### On or Following Effective Date of Sale:

- Execute a deed to the purchaser once terms for property transfer as outlined in the agreement are met (§3804, §3805).
- Record the deed with the county recorder (the recorder shall record the deed without charge) (§3804).
- Send a conformed copy of the deed to the State Controller (the recorder shall prepare the conformed copy of the deed without charge) (§3804).
- Deposit money received from the sale like tax collection (§3808).
- Transmit a report of sale to the State Controller, county auditor, and county assessor (§3811).
- Distribute necessary funds prior to determining excess proceeds (§4672-§4673.1).
- Mail the notice of the right to claim excess proceeds to the last known mailing address of parties of interest if the excess proceeds exceed \$150. If the last known address of a party of interest cannot be obtained, the notice shall be published (§4676).
- Distribute the excess proceeds to any parties of interest no sooner than one year following the recordation of the tax collector's deed to the purchaser (§4675).