



**CITY OF TYLER
CITY COUNCIL COMMUNICATION**

Agenda Number: R-1

Date: October 24, 2006

Subject: Request that the City Council consider adopting a Resolution agreeing to the sale of certain tracts of land located within the City of Tyler city limits and owned by taxing entities including the City of Tyler.

Page: 1 of 2

Item Reference: The City of Tyler has contracts with Smith County to provide tax collection services for the City. Smith County also contracts with a private law firm to provide delinquent tax collection work for many Smith County taxing entities. One of the services provided by that law firm is to sell certain properties from time to time upon which a delinquent tax judgment has been entered. The purpose of such a sale is both to receive any money that might be obtained from a new buyer, but also to place the properties back on the tax rolls. Sometimes, however, there just is no bidder at such sales or the bid is so low that it is not in the taxing entities' interests to accept the bid.

This request is from the taxing entities' law firm, and it concerns tracts, which were previously offered at a tax sale, but became the property of the taxing entities because there were either no bids or insufficient bids. Since the date of the tax sale, potential buyers have come forward, and in order for such sale to be authorized, the governing bodies of all involved taxing entities must consent to the sale. This type of sale arrangement is permitted under Section 34.05 of the Texas Property Tax Code.

The properties involved in this request along with details on when Judgments were taken, Judgment amounts, and other costs, prior owners, current bids and bidders are set out in Exhibit "A" of the Resolution.

The distribution of proceeds from such sales are governed by Sections 34.06 and 34.02 of the Property Tax Code and provide as follows:

"Section 34.02 Distribution of Proceeds.

- (a) The proceeds of a tax sale shall be applied first to the payment of costs. The remainder shall be distributed to all taxing units participating in the sale in satisfaction of the taxes, penalties, and interest due each.

Agenda Number: R-1

Page: 2 of 2

- (b) If the proceeds are not sufficient to pay the costs and taxes, penalties, and interest due all participants in the sale, each participant is entitled to a share of the proceeds after payment of costs in an amount equal to the proportion its taxes, penalties, and interest bear to the total amount of taxes, penalties, and interest due all participants in the sale.
- (c) If the sale is pursuant to foreclosure of a tax lien, the officer conducting the sale shall pay any excess proceeds after payment of all costs and of all taxes, penalties, and interest due all participants in the sale to the clerk of the court issuing the order of sale.
- (d) If the sale is pursuant to seizure of personal property, the officers conducting the sale shall distribute any excess of proceeds as provided by law for excess proceeds in the case of execution."

A representative of the law firm of Perdue, Brandon, Fielder, Collins & Mott, LLP., of Tyler, Texas will be present to answer questions regarding this tax sale.

RECOMMENDATION:

It is recommended that the City Council adopt the attached Resolution authorizing the sale of certain tracts of land located within the City of Tyler city limits and owned by taxing entities including the City of Tyler.



Drafted/Recommended By:
Department Leader Gary C. Landers, City Attorney

Edited/Submitted By:
City Manager

October 16, 2006

Honorable Mayor Seeber
And City Council
City of Tyler
P.O. Box 2039
Tyler TX 75710

RE: Resolutions for Approval
Tax Resale Deeds

Dear Honorable Mayor and City Council:

Please allow this letter to serve as a request to have an item placed on the October 24th, 2006, City of Tyler City Council Agenda.

The Taxing Authorities in Smith County have become the owner of certain real property pursuant to Section 34.01 of the Texas Property Tax Code; the City Council must approve the sale of the property to the prospective bidder, along with all other taxing jurisdictions. Therefore, the item concerns approval of the sale of property in the City of Tyler, Smith County, Texas.

If you have any questions or need additional information, please feel free to contact our office.

Respectfully yours,

Tab Beall
Perdue, Brandon, Fielder, Collins and Mott, LLP

RESOLUTION NO. R-2006-23

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS AGREEING TO THE SALE OF CERTAIN PROPERTY LOCATED WITHIN TYLER CITY LIMITS AND OWNED BY TAXING ENTITIES INCLUDING THE CITY OF TYLER AS THE RESULT OF A TAX SALE: AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, The taxing entities, including the City of Tyler, Smith County, Texas, have become the owners of certain real property by virtue of the foreclosure sale conducted by the Sheriff pursuant to an order of the District Court as set out in the attachments described below: and

WHEREAS, all taxing entities involved in the below-referenced causes must consent to the sale of the described real property; and

WHEREAS, it is to the benefit of all taxing entities involved that the property be returned to its respective tax rolls;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TYLER, TEXAS:

PART 1: That the Mayor be and is hereby directed and authorized to execute the deed and any and all documents necessary to convey the real property referred to in a District Court Order in **Cause No. 20,378-C, Smith County vs David Paulk, SR., being Lot 10, Block 5, North, St. Louis Garden Addition, City of Tyler recorded in Volume 1, Page 197, Smith County, TX, located on 3011 Roosevelt in the City of Tyler, Smith County, TX, same being located at 3011 Roosevelt: to the buyer for and in consideration of the cash bid;** all as described in the attached Exhibit "A", said monies to be distributed pursuant to Section 34.05 of the Texas Tax Code.

PART 2: That this resolution shall take effect immediately upon adoption.

ADOPTED this 24th day of October, 2006.

**JOSEPH O. SEEBER, MAYOR
CITY OF TYLER, TEXAS**

ATTEST:

APPROVED:

CASSANDRA BRAGER, CITY CLERK

CITY ATTORNEY

**EXHIBIT "A" TO RESOLUTION NO. R-2006-23
PAGE 2 OF 2**

Sheriffs Fees:	\$170.00	(Payable to Smith County Sheriff)
Publication Fee:	\$144.93	(Payable to Linebarger Law Firm)
Title Research:	\$175.00	(Payable to Perdue Law Firm)
Deed Recording	\$ 30.00	(Payable to Smith County Clerk)

TOTAL: \$1,141.93

POST JUDGMENT TAXES

Entity	Tax Year	Amount
--------	----------	--------

PROPOSED DISTRIBUTION

Bid Amount:	\$800.00	Costs: \$1,141.93
Net to Distribute:	\$0.00	Post Judgment Taxes:

ENTITY	PERCENTAGE	AMOUNT TO DISBURSE
Smith County	.11	\$
Tyler ISD	.59	\$
City of Tyler	.24	\$
Tyler Jr. College	.06	\$

TOTAL: \$ 0.00