

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Tax

AGENDA DATE: 5/05/2009

CONTACT PERSON/PHONE: Juan F. Sandoval - Ext. 4369

DISTRICT(S) AFFECTED: All

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Approve amendments to a resolution on tax resales passed by Council April 24, 2001

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The properties that have not sold at auction due to tax foreclosure will be returned to the tax rolls more expeditiously.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Yes

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

BOARD / COMMISSION ACTION:

Enter appropriate comments or

N/A

*****REQUIRED AUTHORIZATION*****

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD: _____
(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

WHEREAS, Texas Government Code Chapter 791 permits local governments to enter into contracts for the consolidated effort of assessing and collecting property taxes that is of benefit to the local government entities, as well as to the taxpayers and general public; and

WHEREAS, the City of El Paso has entered into an Interlocal Agreement with numerous local taxing entities in which the City acts as Assessor Collector for each entity, collects taxes for all of the entities, makes refunds and otherwise is authorized to implement such consolidated effort in the assessment and collection of taxes;

WHEREAS, under the Interlocal Agreement, the City collects delinquent taxes for the Entities and agrees to collect all penalties, interest, and attorney's fees authorized under Texas law and all interest, penalties, and fees collected shall be forwarded to the Entities on a timely basis by electronic means or otherwise and City acts as Trustee, to execute a tax resale deed on behalf of all the taxing entities it represents conveying to any buyer all of the right, title, and interest of all taxing units interested in the tax foreclosure judgment in the foreclosed real property; and

WHEREAS, on April 24, 2001, the City adopted certain procedures for the resale of tax foreclosed property struck off to the City as Trustee; and

WHEREAS, the City Tax Assessor Collector recommends that the procedures be revised to permit more flexibility in reselling the properties in order to return the properties to the tax rolls of the various entities.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO AS FOLLOWS:

It is the policy of the City Council that property that has been struck off to the City at a tax sale shall be resold in the following manner in order return unproductive properties to the tax rolls as quickly as possible and generate as much tax revenue as possible to taxing entities, and subject to the following guidelines:

1. All property may be offered for resale at a public auction, with a minimum opening bid in the same amount as the opening bid at the original foreclosure sale.
2. Property on which no bid is received at the first public auction resale, may be offered again at one or more subsequent public auction resales. The Tax Assessor-Collector shall have the discretion to recommend to the officer conducting the sale an opening bid at such subsequent resales in order to maximize the collection of delinquent tax revenue and return the properties to tax rolls as quickly as possible.
3. The property may be sold at any time by public or private sale, subject to any right of redemption of the former owner.
4. The City's Delinquent Tax Attorneys and the Tax Assessor-Collector may at any time submit to the City Council for consideration any written offers received by them for the purchase of such property by private resale if the amount of the offer equals or exceeds the market value specified in the judgment of foreclosure or the total amount of the judgments against the properties, in which case the City Council may, after consultation with the Tax Assessor-Collector, approve the private sale.
5. The City's Delinquent Tax Attorneys and the Tax Assessor-Collector may submit to the governing body of each taxing unit entitled to proceeds for consideration any written offers received by them for the purchase of such property by private resale if the amount of the offer equals or exceeds one-fourth of the minimum opening bid applicable at the original tax foreclosure sale or any amount which the Tax Collector-Assessor in his discretion recommends is appropriate for that property, in which case the governing bodies of the taxing units entitled to proceeds may approve the private sale. Neither the Delinquent Tax Attorneys nor the Tax Assessor-Collector has any duty under these guidelines to submit to the City Council or the other governing bodies of other taxing units entitled to proceeds any offers or amounts less than the minimum opening bid.
6. If the property has not been sold within six (6) months after the date in which the owner's right of redemption terminates, any taxing unit that is entitled to receive proceeds of the sale by resolution of its governing body may request the sheriff or a constable in writing to sell the property at a public sale.

7. "Minimum opening bid" as used herein, means the aggregate amount of the judgments, including all taxes, penalties and interest, plus any other amount awarded by the judgment, court costs, costs of suit and costs of sale (which include the costs of advertising and deed recording fees anticipated to be paid in connection with the sale of the property) and the City's costs of upkeep, maintenance and environmental proceeds, or the market value of the property as set forth in the underlying tax foreclosure judgment, whichever is less.
8. In addition, the Tax Assessor may recommend and the City of El Paso, as Trustee, may resell any property at any time and in any manner, as permitted by Chapter 34 of the Texas Property Tax Code, as it may be amended from time to time.

APPROVED this _____ day of _____, 2009.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Bertha A. Ontiveros
Assistant City Attorney

Juan Sandoval
City Tax Assessor/Collector



**TAX OFFICE
MEMORANDUM**

TO: Mayor & Council

FROM: Juan F. Sandoval
Tax Assessor Collector

DATE: May 5, 2009

SUBJECT: Back Up to Resolution on Tax Resales

In 2001, the City Council adopted a resolution which established a process by which properties which did not sell at a tax foreclosure auction would be resold. The proposed changes to this resolution are presented for your consideration.

The changes as proposed would provide more flexibility to our efforts to try to put these properties back on the tax rolls generating revenue. The constantly changing market condition require a resale policy that allows us to respond accordingly.

I strongly support this resolution as proposed and urge you to do so as well.

/bv

cc: Joyce Wilson, City Manager
Bill Studer, Deputy City Manager
Carmen Perez, Attorney at Law
Delgado, Acosta, Spencer, Linebarger & Perez, LLP