

ADMINISTRATIVE PROCEDURES FOR THE RESALE OF TAX ACQUIRED PROPERTY BY THE CITY OF LA PORTE

PREAMBLE

In the course of collecting delinquent property taxes, it is necessary, from time to time, for taxing units to sell and resell real property. Whenever it becomes necessary for the City of La Porte to participate in the sale or resale of property, every effort shall be made to cooperate with other taxing units involved in the sale or resale. All interested purchasers shall be provided a reasonable opportunity to bid on sale and resale property. The City of La Porte shall attempt to collect as much as possible of the tax amounts due. At the same time, it is desirable to convey the property promptly. The taxing units, as directed by the Texas Property Tax Code, shall proportionately share any amount recovered as the result of the sale or resale of property. The City of La Porte shall participate in and support any effort by and among the various taxing entities of Harris County, Texas, to develop mutual guidelines and policies, which accomplish these goals.

1. The purpose of these procedures is to facilitate the efficient sale and return to the tax roll of property acquired (or which may be acquired) by the City of La Porte (“City”), as Trustee for other taxing units that tax the property, in the course of its ongoing efforts to collect *ad valorem* tax amounts assessed on property. These procedures are authorized by the various provisions of the Texas Property Tax Code, and may not supersede or modify Texas law in any way. In the event these procedures conflict with any provision of Texas law, Texas law shall control with respect to that provision, but these procedures shall be otherwise unaffected. Anyone wishing to make an offer to purchase property is advised to discuss these procedures, and the requirements of state law, with their attorney.

2. A list of properties available for sale may be obtained at the City’s Tax Office. The list may be updated from time to time, and may be published approximately every three (3) months in the Bayshore Sun newspaper. Listed properties fall into one of two categories: a) those that have been acquired by the City and are eligible for resale as provided by the Texas Property Tax Code, and b) those that are under judgment and are eligible for the initial Constable’s Sale, as provided by the Texas Property Tax Code. Important distinctions between these categories are described below, but in no event shall these procedures supersede the provisions of the Texas Property Tax Code.



3. The City reserves the right for any reason or no reason to add to or remove from the list of properties any property at any time. The foreclosure upon and the subsequent sale of the property does not waive any **title problems** or **unpaid liens**. It is the bidder’s responsibility to inquire about and know the status of all aspects of the property for which they are bidding. As provided by Texas law, if an offer is accepted, the City shall convey the property to the successful bidder by Tax Resale Deed, “**as is where is**”, **with all flaws, and without warranty**. The City Strongly suggest that the bidder does a title search prior to making an offer on any resale property.



4. The City will consider any reasonable offer to purchase property, but reserves the right to reject any and all bids. **Offers will not be accepted from individuals who owe delinquent taxes on any properties collected by the La Porte Tax Office.**

5. Offers may be submitted in any amount, but the City will not consider an offer that is not at least equal to the amount of court costs, costs of sale, and costs of preserving and maintaining the property. Higher offers are more likely to be accepted by all taxing units. Once an offer is made using the Real Property Offer Form as attached, the City will post the offer at a location in City Hall and will entertain any higher offer(s) for ten (10) calendar days from the date of the offer. If the last day of the 10-day period falls on a public holiday of weekend, the period is extended until the end of the next workday. **Any offer that is submitted after three o'clock will be posted as received on the next workday.**
6. Each offer must be accompanied by payment in the amount of ten (10%) percent or \$100., whichever is greater, of the amount offered as evidence of good faith. Good faith payments will be deposited by the City, and will be returned within seven days in the event that the City does not accept the offer. The bidder understands and agrees that in no event will the City be required to pay any interest on the deposit. If the offer is accepted, the good faith payment will be applied to the purchase price. If the offer is accepted but the sale not completed by the purchaser for any reason or the offer is withdrawn by the purchaser, the good faith payment shall be retained by the City as liquidated damages, and used to defray the expense of selling other properties owned or acquired by the City.



7. Offers will be accepted in person or by parcel post. Hand delivered offers should be delivered to:

Katherine R. Powell, Tax Assessor/Collector
 La Porte Tax Office
 604 West Fairmont Parkway
 La Porte, Texas 77571

Offers submitted via parcel post should be addressed to:

Katherine R. Powell, Tax Assessor/Collector
 La Porte Tax Office
 P.O. Box 1849
 La Porte, Texas 77572

8. City Audit Committee will be informed of the highest offer received for the property, at the earliest opportunity following the expiration of 10 days after the last highest offer is received. City Audit Committee will at such time be requested to authorize appropriate action as follows, to sell the property:

**I.
 IN THE CASE OF REAL PROPERTY
 OWNED IN TRUST BY THE CITY**

- a) If the offer is for the full amount of taxes, penalties, interest and costs of suit and sale, including any amounts that may have accrued outside of the tax foreclosure judgment under which the property was acquired, or more, the City will recommend the offer within the time schedule outlined above. No approval from other taxing units that tax the property is necessary. Again, if a higher offer is received within 10 calendar days from any offer, the City will recommend the highest offer received. The sale proceeds, including excess proceeds if any, shall be applied as provided by Section 34.04 of the Texas Property Tax Code (Vernon 1997).
- b) If the offer is for less than the full amount of taxes, penalties, interest and costs of suit and sale, including any amounts that may have accrued outside of the tax foreclosure judgment under which the property was acquired, the City may approve the offer. If the City approves the offer, it will seek the written acceptance of the offer by the other taxing

units that tax the property. Approval by the City is not final until the offer is approved in writing by all taxing units that tax the property. The City will in good faith attempt to obtain a decision from the other taxing units, but cannot insure action. The bidder understands and agrees that it is their sole responsibility to obtain the approval of the other taxing units. If at any time prior to the approval of all taxing units, an offer of at least ten (10%) percent higher than the offer under consideration is received, the City reserves the right to consider and possibly recommend the higher offer, although it is not required to do so.

- c) If the offer is approved by all taxing units that tax the property, the purchase price shall be applied first to costs of suit and sale, then to costs incurred by the City in maintaining and preserving the property, and then to each taxing unit participating in the sale 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.
- d) If the offer is accepted the City's law firm will prepare and deliver to the bidder a Tax Resale Deed, without warranty, including any restrictive covenants and conditions required by law. The bidder understands and agrees that it is their responsibility to record a copy of the deed in the Harris County Real Property Records, and to send a file stamped copy of the deed to the Harris County Appraisal District, 2800 North Loop West, Houston, Texas 77092-8837; (713) 812-5800 or (713) 957-7800. TDD for the Hearing Impaired (713) 957-5660.

II.
ALTERNATIVE PROCEDURE FOR SELLING REAL
PROPERTY OWNED IN TRUST BY THE CITY

- a) If the offer is for less than the full amount of taxes, penalties, interest and costs of suit and sale, including any amounts that may have accrued outside of the tax foreclosure judgment under which the property was acquired, the City may approve the offer. In most, if not all, cases, the City will not approve an offer unless it is sufficient to pay at least all costs of suit and sale, maintaining and preserving the property, and all taxes, penalties and interest that accrue after the date of judgment and the date of the initial Constable's Sale.
- b) If the offer is approved, the City will initiate action to resell the property at a second Constable's Sale, as authorized by Section 34.05(c) of the Texas Property Tax Code, by requesting the issuance of an Order of Sale by the Harris County District Clerk's Office. The property will then be posted and advertised for public Constable's Sale as provided by Section 34.05(c) of the Texas Property Tax Code and the Texas Rules of Civil Procedure. The Bidder understands and acknowledges that other parties may bid on the property at the Constable's Sale, and that the constable is required to accept the highest bid that is at least equal to the amount at which the City has requested that the Constable begin the bidding. Any excess proceeds from the Constable's Sale must be deposited by the Constable into the court registry, and may only be disbursed as provided by Section 34.03 of the Texas Property Tax Code.
- c) The Constable will deliver a deed to the property to the successful bidder. If the property is purchased by the Bidder, he/she understands and agrees that it is their responsibility to make sure that the deed is recorded in the Harris County Real Property Records, and to send a file stamped copy of the deed to the Harris County Appraisal District, 2800 North Loop West, Houston, Texas 77092-8837; (713) 812-5800 or (713) 957-7800. TDD for the Hearing Impaired (713) 957-5660.

III.
IN THE CASE OF REAL PROPERTY
UNDER JUDGMENT

- a) If the offer is approved, the City will initiate action to execute the tax foreclosure judgment by requesting the issuance of an Order of Sale by the Harris County District Clerk's office. The property will then be posted and advertised for public Constable's Sale as provided by Section 34.01 of the Texas Property Tax Code and the Texas Rules of Civil Procedure. The bidder understands and acknowledges that other parties may bid on the property at the Constable's Sale, and that the constable is required to accept the highest bid that is at least equal to the minimum amount due under the judgment as determined by the constable's office. The bidder further understands and acknowledges that additional taxes, penalties, and interest may have accrued against the property that may not be included in the minimum amount determined by the constable to be due. Such additional amounts, if any, will not be paid as a result of the Constable's Sale, even if the amount for which the property is purchased is sufficient to pay all amounts due. Any excess proceeds from the Constable's Sale must be deposited by the constable into the court registry, and may only be disbursed as provided by Section 34.03 of the Texas Property Tax Code. In all cases it is the responsibility of the ultimate purchaser of the property to determine the amount(s), if any, of taxes, penalties and interest not included in the judgment, and to pay these amounts, which are secured by tax liens on the property.
 - b) If there are no successful bidders at the Constable's Sale, the property is usually "struck off" to the City as Trustee. The City will then request that the other taxing units consider the offer. Since it is the bidder's responsibility to attempt to obtain the other taxing unit's approval of the offer, the bidder is encouraged to deal directly with the other taxing unit(s) or their representative(s). The City does not finally approve the offer until all other taxing units that tax the property have approved the offer in writing.
 - c) The City will notify the bidder, in writing, if and when the offer is finally accepted. The bidder must make full payment of the offered amount within 10 days from the date they receive such notice, or forfeit their good faith payment as provided above.
 - d) If the offer is approved by all taxing units that tax the property, the purchase price shall be applied first to costs of suit and sale, then to costs incurred by the City in maintaining and preserving the property, and then to each taxing unit participating in the sale in an amount equal to the proportion its taxes, penalties and interest bears to the total amount of taxes, penalties and interest due all participants in the sale.
 - e) If the offer is accepted the City's law firm will prepare and deliver to the bidder a Tax Resale Deed, without warranty, including any restrictive covenants and conditions required by law. The bidder understands and agrees that it is their responsibility to record a copy of the deed in the Harris County Real Property Records, and to send a file stamped copy of the deed to the Harris County Appraisal District, Harris County Appraisal District, 2800 North Loop West, Houston, Texas 77092-8837; (713) 812-5800 or (713) 957-7800. TDD for the Hearing Impaired (713) 957-5660.
9. When less than the full amount due is offered, the offer must be approved in writing by all other taxing units that tax the property. In such cases the bidder understands and acknowledges that completion of the sale is dependent on the actions of taxing units other than the City, and may take an indefinite length of time for approval, and may never be approved.

10. Taxes for a pro-rata portion of the year of purchase, and all taxes that may have accrued after the date of the foreclosure judgment under which the City acquired title to the property, as Trustee, and the date of the Constable's Sale, are the responsibility of the purchaser.
11. The City and its representatives make no warranty as to the sufficiency of the description of the property, or as to the acreage, dimensions, sufficiency of title, or other restrictions on the property. The City will not provide any survey.
12. Bidder understands and acknowledges that the prior owner as provided by Texas law may redeem property purchased from the City. Such redemption, including the recovery of the redemption penalty, if any, are matters to be resolved between the bidder and the prior owner, without intervention by the City. Bidder may wish to consult with their attorney prior to undertaking any modifications or improvements to the property during the redemption period.
13. City Audit Committee shall be notified of all material details of each sale, prior to completion of the sale.

