

CITY OF IVANHOE
DELINQUENT TAX WORKSHOP

MINUTES

July 9th, 2020

5:00 PM

Special meeting was called to order by Mayor Bennett at 5:06 PM. Quorum established with all Council members present except Councilman Herrington. Invited guest Mr. James Guest with Linebarger, Goggan, Blair & Sampson.

Agenda Item #1 – Delinquent tax workshop

Mayor Bennett opened the floor to Mr. James Guest with Linebarger, Goggan, Blair & Sampson to provide information on delinquent taxes, tax foreclosures and related matters.

Mr. Guest began his presentation informing Council that Ivanhoe currently has roughly \$160,500 (outstanding) delinquent taxes for all years, with about 4% of the delinquent tax roll deferred (will become due 180 days after the death of the taxpayer who has deferred the taxes).

He explained a piece of property qualifies for “tax warrant” status due to being abandoned and taxes are due for more than 5 years and other elements. Not many tax warrants are filed, most delinquencies are handled thru tax foreclosure proceedings. He said the delinquent tax firm is willing to work on any properties identified by the city that will qualify. Tax warrants usually take about 6 months to prepare for lawsuit. Tax foreclosures take considerably longer due to the additional research and due process involved (1 ½ years average).

Mayor Bennett said there is one property that has squatters, the property owner inherited the property and lives in a distant state. He wants nothing to do with the property and is willing to transfer the property to the city, which is what prompted the Mayor to contact the delinquent tax attorney. Mr. Guest said obtaining a deed in lieu of tax foreclosure is a possibility. When the law firm gets involved they represent all the taxing entities and a property that doesn't sell at Sheriff's auction can be transferred to a tax entity with agreement of all the entities involved. However all properties that go thru the tax warrant/foreclosure process must go thru the tax sale

Processing a tax warrant/foreclosure is at no cost to the city, the cost is recovered when the property is sold. A current year property tax bill increases by about 40% if not paid by July due to penalties and interest. July is when the county Tax Assessor/Collector submits the delinquent taxes to the delinquent tax firm.

Mr. Guest said there might be a problem with filing a tax warrant; District Judge Earl Stover may have numerous questions since he has not dealt with them before. Also, the court costs and attorney fees are more than unimproved properties are worth, which is why those properties do not go to tax foreclosure.

Turning to a handout of the top 50 properties in Ivanhoe that are on the delinquent list, Mr. Guest said there are 531 current accounts with 445 owners that are in arrears on taxes. The first tax sale requires a minimum bid of the amount of taxes, penalties and interest due. If the minimum is not offered, then a second sale known as a strike-off resale is held which requires 25% of the taxes, penalties and interest due on the property.

Council had multiple questions regarding the listings in the handout, then discussed having a follow up workshop to address the top 20 or 30 properties on the list to gain clarification on the status of those properties. Mr. Guest explained he has a software program that makes it easy to provide much more information on the properties the Council wants to review.

He concluded the workshop noting that the coronavirus has impacted tax foreclosures although Tyler County has not changed its process.

Agenda Item #2 – Adjourn

Councilman Vonderlin made the motion to adjourn with a second by Councilman Morris and the meeting was concluded at 6:11 PM.

Respectfully submitted,

C. D. Woodrome, City Secretary