

# City of Mesquite, Texas

## Legislation Text

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**File #:** 22-6222, **Version:** 1

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A resolution to resell tax-foreclosed properties located at 121 Woodbridge Way and 613 Willowbrook Drive by public or private sale, to the highest qualified purchaser, as provided by Section 34.05 of the Texas Property Tax Code.

On December 5, 2016, the City Council passed Resolution No. 51-2016 to adopt a tax lien foreclosure policy to address properties with delinquent taxes owed for five or more years, or properties with delinquent taxes totaling more than twenty-five percent of the appraised value. Under this policy the City Manager, or the City Manager's designee, is authorized to take all actions necessary to carry out the policy, including initiating the foreclosure process through tax lawsuits against the property owner(s) when all prior collection efforts have been exhausted, and issuing orders of sale through the Dallas County Sheriff's Office upon final judgment of tax suits by the District Court.

If no sufficient bid on a property is received at a Sheriff's online public auction, the City has the choice of having the property "struck-off" to the City and the Sheriff's Office then executes a quitclaim deed to the City conveying title and interest in the property as trustee for all taxing entities involved in the judgment. The City may then resell the property in accordance with Section 34.05 of the Texas Property Tax Code, which in certain circumstances requires the consent of the other taxing entities involved.

Prior to Linebarger Goggan Blair & Sampson, LLP (Linebarger) managing the City's tax collections, the City Attorney's Office was responsible for the conduct of reselling foreclosure properties struck-off to the City. The resale process is now conducted entirely by Linebarger in accordance with the sealed bid auction process under the Tax Code.

The property at 121 Woodbridge Way was struck-off to the City on March 7, 2017, and 613 Willowbrook Drive on June 7, 2016. The adjudged value of 121 Woodbridge Way is \$54,460.00 and \$34,370.00 for 613 Willowbrook. On May 19, 2022, Linebarger received sealed bids on these two properties and City staff approved the highest offers of \$25,601.00 for 121 Woodbridge Way, and \$35,000.00 for 613 Willowbrook Drive; both are vacant lots with no improvements.

These offers fall under Section 34.05(i) of the Tax Code, which requires the purchaser to pay the post-judgment taxes, penalties and interest to the taxing entities and requires the consent of all taxing units entitled to proceeds from the sale. The amount of the post-judgment taxes, penalties and interest for all taxing entities is \$3,759.44 for 121 Woodbridge Way, and \$17,213.49 for 613 Willowbrook Drive.

If approved by Council, the City will receive \$9,819.33 for 121 Woodbridge Way (\$821.84 in taxes and fees, plus \$8,997.49 for maintenance), and \$13,909.74 for 613 Willowbrook Drive (\$4,851.34 in taxes and fees, plus \$9,058.40 for maintenance), for a combined total of \$23,729.07 for both properties. After Linebarger receives payment from buyers, the City will execute and record quitclaim deeds to the new property owners and both properties will go back on the tax roll.

Mesquite Independent School District's Board of Trustees consented to the sale of the properties on August 8,

2022, and the Dallas County Commissioners' Court consented to the sale of the properties with the passage of Court Order 2022-0958 on September 6, 2022.

**Recommended/Desired Action**

Staff recommends approval of the resolution.

**Attachment(s)**

Resolution

Location Map for 121 Woodbridge Way

Location Map for 613 Willowbrook Drive

**Drafter**

Ted Chinn

**Head of Department**

Ted Chinn