

TAX FORECLOSED PROPERTY POLICIES & PROCEDURES COUNTY OF DALLAS

Public Works Department- Property Division (Revised August 2011)

COUNTY OF DALLAS:

Properties with delinquent ad-valorem taxes are foreclosed and sold at auction by the Sheriff. The taxing entities have contracted with Linebarger, Goggan, Blair & Sampson, LLP, a private law firm that forecloses on delinquent tax properties on behalf of the taxing entities. After obtaining a Judgment against the property owner, the Sheriff is ordered to sell the property at auction to the highest bidder at a Sheriff's Sale held the first Tuesday of each month. The law firm maintains a list of properties scheduled for sale at the next Sheriff's Sale on their web page at www.publicans.com. For information on the Sheriff's sale, call the law firm at 214-880-0089 or the Dallas Sheriff's Department at 214-653-3500. In connection with the County of Dallas (the "County") contractual obligation to collect ad valorem taxes for the majority of the other taxing jurisdictions in Dallas County, properties that do not receive an adequate bid at the Sheriff's Sale may be struck off to the County.

The County acts for itself and as trustee for other taxing jurisdictions within the County in the resale of tax foreclosure properties. Once a tax property has been struck off to the County, the Dallas County Public Works Department Property Division (the "Department") follows the guidelines listed below for disposing of these properties in conformance with the Tax Foreclosure Resale Policy adopted by the Dallas County Commissioners Court (the "Commissioners Court"):

SEALED BID PROCEDURES:

All properties will be offered for sale first to the public via a Sealed Bid Procedure, unless it is sold for the total judgments against the property or the market value as specified in the judgment of foreclosure.

- ◆ The Department will secure consent of each taxing unit entitled to receive proceeds of the sale under the Judgment and offer the property for sale via a sealed bid procedure with the minimum amount of bid to be established by the Department.
- ◆ On all bids of \$20,000 or less, the Sealed Bid Procedure will require that each prospective bidder submit a deposit in the form of a cashier's check or money order payable to the County in the amount of \$1,000 or the purchase price, whichever is less. For bid amounts greater than \$20,000 bidders must submit a deposit in the form of a cashier's check or money order payable to the County for 10% of the dollar amount of the bid. Upon acceptance of the bid by the Commissioners Court the bidder will be required to pay the balance of the purchase price owed to County by cashier's check or money order within 30 days after notification of award, unless such time period is reduced or extended by written agreement of both parties. In the

event the bidder is unable or refuses to timely close on the property and accept a Quitclaim Deed for any reason whatsoever, except through default of County, the contract may be terminated and bidder's **ENTIRE DEPOSIT** shall be forfeited to County. The County will require all bidders to sign a Purchase Agreement, No Title-Policy Statement, No-Conflict of Interest Statement, and to sign and notarize an Affidavit certifying that they have no outstanding County judgments or tax delinquencies.

- ◆ The properties will be sold to the person submitting the highest qualified bid to the County and will then be returned to the tax rolls upon conveyance. The County reserves the right to accept or reject any bid for any or no reason and there are no implied guarantees to negotiate or sell the properties at all, even at the minimum bid amount.

PRIVATE SALE:

Private sales may be considered on properties: (1) that have been advertised for re-sale by County at least one time, or (2) the offer received is for the total amount of the judgments against the property, or (3) when the offer received is for the market value of the property as specified in the judgment of foreclosure.

- ◆ All sales are subject to and conditioned upon approval by the Commissioners Court and each taxing unit entitled to receive proceeds of the sale under the judgment.
- ◆ On all offers of \$20,000 or less, the purchaser at a Private Sale will be required to submit a deposit in the form of a cashier's check or money order in the amount of \$1,000 or the purchase price, whichever is less. For offer amounts greater than \$20,000, the purchaser must submit a deposit in the form of a cashier's check or money order payable to the County for 10% of the purchase price. Upon acceptance of the purchase price by the Commissioners Court, the purchaser will be required to pay the balance of the purchase price owed to County by cashier's check or money order within 30 days after notification, unless such time period is reduced or extended by written agreement of both parties. In the event the purchaser is unable or refuses to timely close on the property and accept a quitclaim deed for any reason whatsoever, except through default of County, the contract may be terminated and purchaser's **ENTIRE DEPOSIT** shall be forfeited to County. The County will require all purchasers to sign a Purchase Agreement, No Title-Policy Statement, No-Conflict of Interest Statement, and to sign and notarize an Affidavit certifying that they have no outstanding County judgments or tax delinquencies.

CONVEYANCE DOCUMENT:

County will execute a quitclaim deed which will contain an acknowledgment that the property is subject to the prior owners' right of redemption, if any, and that the property is being purchased "AS IS", "WHERE IS", and "WITH ALL FAULTS" and the County has no responsibility for the condition of the property. All sales are "AS IS" to the successful bidder on a "BUYER BEWARE" basis. A modified quitclaim deed will be used to comply with the procedures and restrictions of Civil Order No. 5281, styled *United States v. Texas*, Civil Order No. 5281 (E.D. Tex., August 9 & 15, 1973, eith as a: (1) reverter, or (2) deed restriction, when the school district's consent, required under Section 34.05(i) of the Tax Code, is conditioned on County, as trustee, complying with the procedures and restrictive covenants of said Orders.

The County makes no warranty concerning zoning or whether these properties can be used for any purpose. It is the bidders' responsibility to examine all applicable building codes and ordinances to determine that the property in question can be used for the purpose desired.

RIGHT OF REDEMPTION:

All properties put up for resale are subject to the prior owners right of redemption, if any, as provided by law. In most cases the County will not offer a property for resale until after the expiration of the redemption period. The previous owner of tax foreclosed property sold at a tax sale (other than property that was the residence homestead of the owner or that was land designated for agricultural use when the suit to collect the tax was filed), may redeem the property no later than 180 days following the date on which the purchaser's or taxing unit's deed is filed for record or within two years after the date of which the purchaser's or taxing unit's deed is filed for record (if the property was the previous owner's residence homestead or was land designated for agricultural use when the suit to collect the tax was filed), as outlined under the Texas Property Tax Code, Section 34.21. Right of Redemption.

ADVERTISING INFORMATION-SEALED BIDS

All notices of the sale are advertised in the Classified Section of the Dallas Morning News on two consecutive Mondays at least two weeks before the bid opening date. Sealed Bids are held on an as needed basis. If no bids are received on a property at the bid opening the Department will offer the property for resale at a later date.

For further information on the process of submitting an offer call 214-653-6355.