



Procedures for the sale of Tax Trust Property

The City of Kilgore periodically receives property from both Rusk and Gregg Counties. When property is received City staff will undertake the following steps:

- 1) Research of the property, including but not limited to:
 - a) Existence and condition of structures on the property.
 - b) Current platting, zoning and compliance with comprehensive plan.
 - c) Easements, topography, water, sewer or drainage infrastructure located on the property.
 - d) Availability of utilities to the property.
- 2) Mitigate any existing issues with the property including but not limited to:
 - a) Abatement of substandard structures or other code violations.
 - b) Rezoning, platting, filing of easements, etc. if needed at this point.
- 3) Place the property into one of three categories:
 - a) Texas Property Tax Code 34.051 compliant property (6 or more years delinquent)
 - b) Other Tax Trust Property available for sale
 - c) Undevelopable land due to topography, size, location or access limitations.
 - d) Land which has been determined to have a publicly beneficial use for one or more of the taxing entities.

Once the above process is complete, properties may be disposed of based on the following:

- 1) Procedures for donation of Texas Property Tax Code 34.051 compliant property (6 or more years delinquent)
 - a) Applicant must complete and submit an application
 - b) Eligibility will be based on the following:
 - i) Proof of income within ranges for low to moderate income set by HUD (currently below 80% of AMFI)
 - ii) Financial means to construct a residence as evidenced by a bank loan pre-approval, or a certified bank statement/proof of funds.
 - iii) Engagement of contractor and completion of house plans.
 - c) If applicant qualifies for donation, the request will be submitted for Council approval.

- d) Upon approval of the Council, the City Attorney will prepare a deed that includes the following restrictions:
 - i) Construction must begin within 6 months from the date of the filed deed.
 - ii) Construction must be completed within one year of the filed deed date subject to reasonable extensions.
 - iii) Applicant use the home for their primary residence and qualify for the residence homestead exemption for at least two years after completion of construction before the house can be sold to another individual.
- 2) Procedures for sale of tax trust property:
 - a) Property will be sold at market value as established by either Gregg County Appraisal District or Rusk County Appraisal District. A new appraisal may be acquired for certain properties at the discretion of City staff.
 - b) Application must be submitted along with proof of financial means to build a residence or commercial development.
 - c) The request will be submitted for approval to the City Council.
 - d) Upon approval of the Council, the City Attorney will prepare a deed that includes the following restrictions
 - i) Construction must begin within 6 months from the date of the filed deed.
 - ii) Construction must be completed within one year of the filed deed date subject to reasonable extensions.
 - iii) Any other restriction deemed necessary by the Kilgore City Attorney.
- 3) For a tax trust property to be conveyed to an individual when the property is undevelopable, the following process must be completed.
 - a) Application must be submitted by an adjacent land owner along with an offer.
 - b) The request will be submitted for approval to the City Council.
 - c) Upon approval of the City Council, the City Attorney will prepare a deed.
- 4) For a tax trust property which has been determined to have publicly beneficial use for one of the taxing entities, the City will coordinate transfer of the property to that entity at the discretion of the City Council in exchange for the amount owed in back taxes and mitigation/management costs.