

AGENDA ITEM # 6October 28, 1997Consider hearing report from delinquent tax attorneys.

Tax Assessor/Collector Deborah Hunt introduced Harvey Allen, delinquent tax attorney from McCreary, Veselka, Bragg & Allen who reported on their work to date. He introduced legal assistant Suzanne Oats and administrative assistant Sue Whitman who are permanent staff in the court house office.

He gave an update of the work including the 37 suits filed, 12 judgements and one seizure.
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McCREARY, VESELKA, BRAGG & ALLEN, P.C.
ATTORNEYS AT LAW
710 S. MAIN ST., SUITE B-3
GEORGETOWN, TEXAS 78626-5701

October 3, 1997

Mrs. Deborah M. Hunt
Tax Assessor-Collector
Williamson County
710 South Main, Suite 102
Georgetown, Texas 78626

RE: Delinquent Property Tax Collection Activity Report For The Period of July 1, 1997 through September 30, 1997

Dear Deborah:

The following is a Delinquent Property Tax Collection Activity Report For The Period of July 1, 1997 through September 30, 1997 for the information of the Commissioners' Court and yourself. This report details the activities undertaken to collect the delinquent taxes owed to Williamson County. This report also briefly explains the procedures we follow to insure that each property owner is notified of their tax delinquency, and the legal steps that will be taken when payment of the taxes is not voluntarily made.

TAXPAYER NOTIFICATION - Our experience has proven that the right notice to the right person at the right time results in the payment of taxes to our client. For this reason, McCreary, Veselka, Bragg & Allen sends a series of letters to property owners both before and after we have filed a delinquent tax suit against a property owner and the property. We send notices of delinquency at least three times each year.

Many delinquent accounts are collected as a result of giving the proper attention to finding the correct address of a property owner. Delinquent accounts with unknown or incorrect addresses are researched by the Firm through the use of the telephone directories, City Directories, utility records, voter registration records, assumed name files and the records of the Secretary of State. When the Firm obtains new addresses, notices are immediately sent informing the property owner of their tax delinquency and the need for prompt payment of the delinquent taxes. The Firm simultaneously notifies the Tax Office of the new address so that the tax records can be updated.

On July 18, 1997, McCreary, Veselka, Bragg & Allen mailed 6,279 notices of delinquency. We received numerous requests for payout agreements as a result of these notices as well as a significant number of payments. We were also able to identify some problem accounts as a result of the mailing which will require investigation and possible action by the Appraisal District.

On September 29, 1997, we prepared 2,757 second notices of delinquency which were mailed on October 1, 1997.

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AUSTIN	ARKANSAS	DENTON	GEORGETOWN	LONGVIEW	SAN ANGELO	VICTORIA	WACO
5829 Bobbette Dr. Suite 200 Austin, TX 78731 (512) 451-9000 FAX(512) 454-1881	1534 E. Tremontway Blvd. Suite 5 Abilene, TX 79602 (815) 672-4870 FAX(815) 678-7877	300 E. McKinney St. Suite 8 Denton, TX 76201 (840) 383-3546 (840) 387-7475	710 S. Main St. Suite B-3 Georgetown, TX 78626 (512) 930-1473 FAX(512) 930-4327	140 E. Tyler St. Suite 300 Longview, TX 75601 (803) 767-6757 FAX(803) 763-7374	17 S. Chestnut St. Suite 305 San Angelo, TX 76903 (815) 657-8198 FAX(815) 658-1421	100 N. Main St. Suite 101 Victoria, TX 77901 (512) 573-3744 FAX(512) 572-3713	100 N. 9th St. Suite 704 Waco, TX 76701 (262) 768-7705 FAX(262) 768-0333

TITLE RESEARCH - McCreary, Veselka, Bragg & Allen conducts a thorough title examination and ownership verification on all delinquent property accounts prior to filing delinquent lawsuits. The Firm carefully researches the title of property in order to identify all parties who have an ownership interest or lien on the delinquent property. The Firm examines deeds, deeds of trust and probate records to determine who has interest in the property. All parties who have been determined to have an interest in the property are sent a final series of notices informing them that a delinquent tax suit will be filed to foreclose their interest in the property in order to have it sold to satisfy the tax delinquency.

DEMAND LETTERS - MVBA has sent 102 demand letters to delinquent property owners involving 114 tax accounts with a total amount due of \$62,639.95. These letters notify the property owner that suit will be filed in the immediate future if payment is not made.

LIENHOLDER LETTERS - When title research indicates that an individual or a financial institution has a lien on property on which there are delinquent taxes, MVBA sends a "lienholder letter" to that party. The lienholder letter notifies the party of the delinquent taxes and informs them that unless the delinquent taxes are paid, they will be included as a defendant in a suit to collect the delinquent taxes. MVBA has sent 62 lienholder letters involving 82 tax accounts with a total due of \$41,698.29.

NEW OWNER LETTERS - When title research indicates that ownership of property on which there are delinquent taxes has transferred to another person we send the new owner a letter informing them of the delinquent taxes due on their property. MVBA has sent 4 new owners letters involving 4 accounts with a total due of \$7,506.79.

LITIGATION - The Firm files delinquent tax suits when property owners and all other parties whom the Firm has determined to have an interest in property fail to respond to the notices sent to them. Delinquent tax suits filed by the Firm seek a personal judgment against the property owner and foreclosure and sale of the property to satisfy the tax delinquency. All the delinquent tax accounts of a property owner are included in a single lawsuit against that person. When all delinquent taxes, penalties and interest have been paid to all the taxing units involved, and all costs of court have been paid to the District Clerk, the lawsuit is dismissed against both the property owner and the property.

From July 1, 1997 thru September 30, 1997, McCreary, Veselka, Bragg & Allen filed 37 lawsuits in the District Court of Williamson County, Texas, involving \$56,404.43 of taxes and accrued penalties and interest due the County of Williamson.

The following is a list of the cause numbers and styling of the lawsuits.

Cause No.	Defendant	Amount Due
97-352-T277	West Williamson County Mental Retardation Association	\$338.47
97-350-T368	Properties Fund Two Ltd.	\$15,985.36
97-351-T26	Cheryl Tulus	\$76.95
97-354-T26	Merlon Theodore Cantrell	\$243.44
97-353-T368	Sandy G. Grant	\$533.34
97-356-T368	Linda Lancaster	\$112.33
97-357-T26	Salvador M. Zepeda	\$101.94
97-358-T277	Dana B. Spigener	\$294.23
97-361-T277	Russell D. Mullenhour	\$562.46
97-359-T368	Nora B. Holleway	\$325.04
97-360-T26	San Gabriel River Ranch Property Owners Association	\$1,282.75
97-380-T368	Nations Bank of Texas	\$112.43
97-379-T277	Bankers Trust Company	\$1,572.70
97-384-T26	Mary Alba Trevino	\$1,143.91
97-382-T277	Vincent Sanchez	\$423.98
97-381-T26	Robert Paul Newberg	\$1,367.61
97-374-T368	Ross M. Lynch	\$891.02
97-375-T26	Fannie Robinson	\$144.36
97-376-T277	Bettie Thomas	\$209.84
97-378-T26	James P. Baldwin	\$233.57
97-385-T277	Charles Whisenhunt	\$651.47
97-383-T368	Vernon Stidham	\$801.24
97-373-T277	Four States Financial #2	\$5,358.61
97-399-T26	Rhonda L. Erickson	\$1,917.86
97-401-T368	Tom Burk, Jr. AKA Thomas Harvey Burk, Jr.	\$738.06
97-403-T277	J. Alton Bauerle, Tr.	\$113.27
97-405-T26	Nat Lopez	\$1,214.46
97-404-T368	Freda Bogner	\$752.38
97-408-T26	Wesley Piper	\$3,120.92
97-407-T368	Tom W. Ford	\$5,270.11
97-409-T277	Rebecca Ann Hernandez	\$2,388.07
97-413-T368	Darrell Johnson	\$369.78
97-414-T26	Hill Country Cellars, Inc.	\$1,607.65
97-415-T277	Brooke Ltd.	\$2,359.16
97-417-T26	Howard Garner DBA Texas Taco	\$66.55
97-418-T277	Precise Machine&Etching	\$3,053.59
97-411-T26	Richard Sanchez	\$979.20
TOTAL		\$56,404.43

JUDGMENTS - When the property owner and all parties who have an interest in the property have been served with citation, the Firm notifies the property owner and all other defendants in the lawsuit of the date at which a hearing will be held in District Court to seek a judgment against the property owner and the property. The Firm recovers judgments against both the property owner and the property authorizing sale of the property in order to recover the delinquent taxes, penalties and interest owed. If the property owner pays the total amount of taxes, penalties, interest and costs after judgment has been rendered by the District Court, the judgment is released against both the property owner and the property. MVBA has obtained 12 judgments involving 13 accounts with a total amount due of \$12,764.84.

TAX WARRANT AND SEIZURE - On September 18, 1997 pursuant to an Order obtained from the District Court of Williamson County, MVBA seized the personal property of Burro Enterprises for failure to pay 1995 and 1996 personal property taxes in the total amount of \$2,048.32. If the property owner does not pay the delinquent taxes due, the personal property will be auctioned on the Courthouse steps on October 7, 1997.

BANKRUPTCY - MVBA has filed numerous claims on behalf of the County in the Bankruptcy Court. These claims include several cases where the County's previous law firm neglected to file claims. These cases were discovered as a result of responses by delinquent property owners to our notices of delinquency informing us they were in bankruptcy and by MVBA matching our existing bankruptcy files for Georgetown ISD and Leander ISD against the County delinquent roll. We monitor the progression of these cases through the Bankruptcy Court and file appropriate objections and responses to protect the rights of the County in the Bankruptcy Court.

STATUS OF DELINQUENT PROPERTY TAXES AS OF SEPTEMBER 24, 1997 - Attached are two pie charts, one of which gives the collection status of the delinquent taxes due to all taxing units for which the County collects and the other sets out the amount of delinquent taxes due by tax year.

The chart labeled Status of All Delinquent Property Taxes presents the status of collection efforts on the delinquent taxes due to all taxing units for which the County collects. As you can see, there is a total of \$1,457,785 in delinquent taxes for the tax years 1996 and prior outstanding, exclusive of penalties and interest. The following are explanations of the classifications of the various segments of the chart:

Suits & Judgments - Lawsuits pending in the District Court of Williamson County for the collection of delinquent property taxes and those accounts on which judgment has been obtained.

Bankruptcy - Accounts on which collection activity is prohibited by automatic stay under the United States Bankruptcy Code. Original proofs of claims are filed for pre-petition taxes and for post petition administrative expense taxes. The Firm monitors the progress of bankruptcy cases and files appropriate motions and objections with the Bankruptcy court to insure that the tax claims and the tax liens are accorded the highest possible priority. The amount of the claims which will ultimately be paid, particularly in Chapter 7 cases, cannot be estimated.

Insolvent Personal & Abandoned Real Property - Tax accounts on which delinquent notices mailed by the Firm have been returned by the U. S. Postal Service as undeliverable or accounts for which there is no address on the tax roll. The Firm is engaged in an extensive address research program. When new addresses are found, notices are promptly sent. However, without an accurate address personal property delinquent taxes are, as a practical matter, uncollectible. Some of these accounts represent mobile homes which are no longer in the County. In most cases, the Appraisal District has no knowledge of the whereabouts of the owners of these mobile homes. As such collection activity against the owners is effectively precluded, these accounts are uncollectible. There are business personal accounts where the business is no longer operating. When a business ceases operation, often the owner leaves the County and/or State. Even if the owners of the business can be located, they are usually "judgment proof. Many of these businesses were corporations which are either defunct or have no assets. The whereabouts of the owners of some real property accounts are unknown. These are unimproved lots or vacant acreage tracts making it extremely difficult to locate the owners. In some cases, the record owners are deceased and their heirs are unknown or cannot be located. The owners of these vacant and abandoned properties will be served with citation by publication and the properties sold at tax sales.

Pre-Litigation Payout Agreements - Written installment payment agreements entered into pursuant to §33.02 of the Property Tax Code prior to suit being filed. These payment agreements are tailored to the individual taxpayer's ability to pay based on their particular financial problems. As a result of the payout agreements, a steady flow of tax payments may be obtained.

Over 65 Tax Deferrals - There are a few property owners who have claimed the over-65 tax deferral provided by the Property Tax Code. The deferral merely delays collection but does allow the County to eventually collect the account.

Research in Progress - This refers to those accounts which do not have any known impediment to the collection process or specific collection activity pending. The Firm mails notices of delinquency on each delinquent account which result in the payment of some accounts. We are continuing to place additional accounts under litigation. However, we stress that there may be circumstances which may preclude the collection of some of these taxes. These may include bankruptcies, insolvent or closed businesses, hardship cases, and/or incorrect addresses which are unknown to the County tax office or the firm. Nevertheless, the Firm will continue to use all appropriate measures to collect the maximum amount of revenue possible given the circumstances.

Rollback Taxes - Property owners of qualified agricultural land may be taxed on a agricultural value which is lower than the fair market value of the land. When the use of the land changes a "rollback" tax is assessed on the difference between the fair market value and the agricultural value of the land which was not previously taxed. The "rollback" taxes are not delinquent until the next February 1st that is at least twenty days after the date the rollback tax bill is delivered to the property owner.

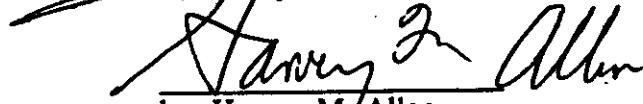
Appraisal District Litigation - Tax Accounts on which the property owners have filed suit against the Appraisal District to contest the valuation of property. These tax accounts are on the County's delinquent tax roll but are not technically delinquent until the litigation with the Appraisal District is resolved.

Invalid Accounts - There are some tax accounts on the delinquent tax roll those validity appears to be questionable. The accounts are being investigated by appraisal district. Certain of these accounts are known to be erroneous and will eventually be removed from the delinquent tax roll.

We appreciate the opportunity to represent the County of Williamson in the collection of its delinquent taxes, and invite your questions and comments in order that we may better serve your needs.

Yours truly,

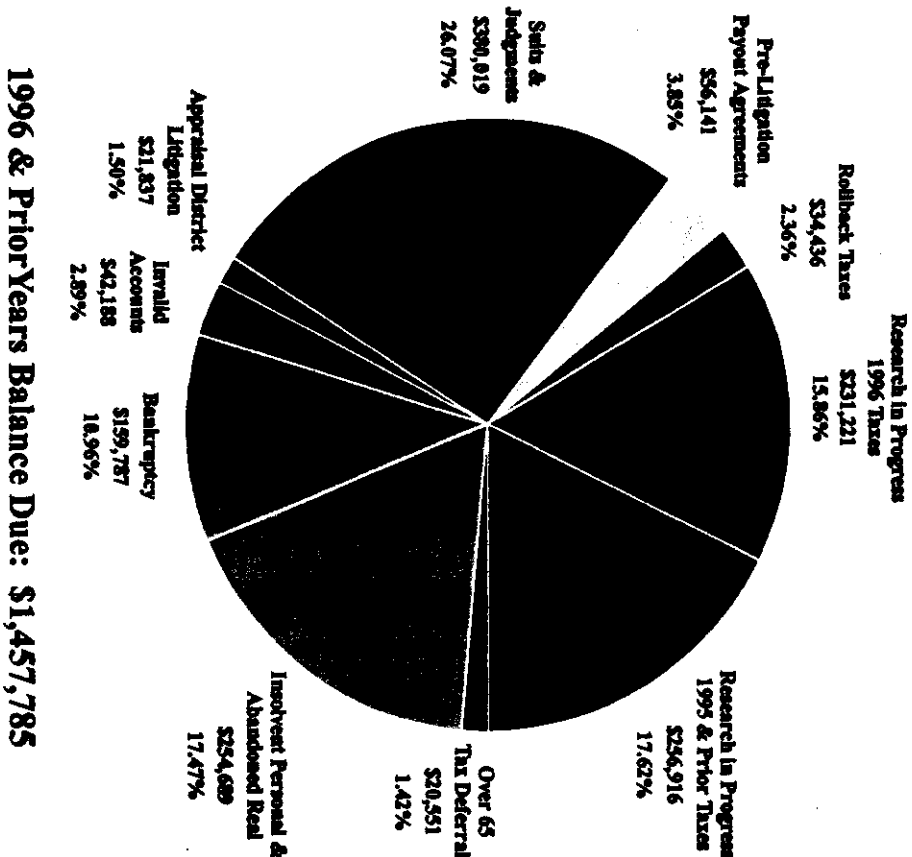
McCreary, Veselka, Bragg & Allen



by: Harvey M. Allen

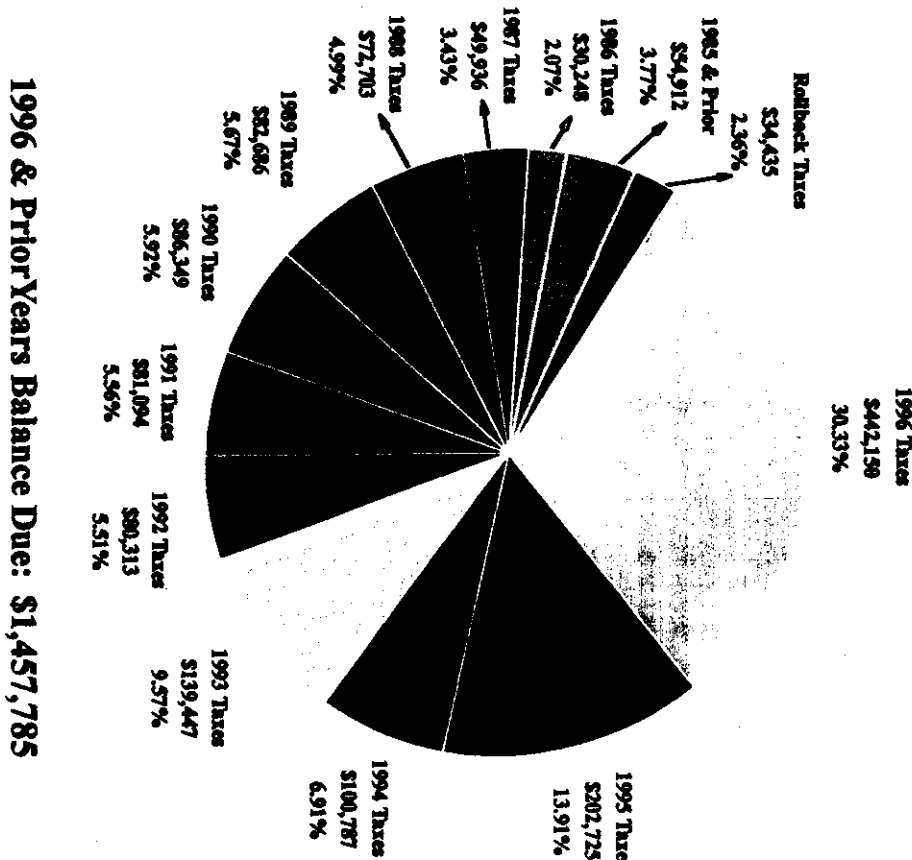
THE COUNTY OF WILLIAMSON

Status of all Delinquent Property Taxes as of September 24, 1997



THE COUNTY OF WILLIAMSON

Delinquent Taxes Due by Tax Year as of September 24, 1997



AGENDA ITEM # 7

October 28, 1997

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Consider approving preliminary plat approval for Milwood Section 40.

Moved: Commissioner Heiligenstein

Seconded: Commissioner Boatright

Motion: To approve preliminary plat for Milwood Section 40.

Vote: Motion carried 4 - 0 with Commissioner Hays absent from the dais.

AGENDA ITEM # 8

October 28, 1997

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Consider approving closure of Great Valley Drive (sewer line being installed).

Moved: Commissioner Boatright

Seconded: Commissioner Hays

Motion: To approve closure of Great Valley Drive for sewer line installation from October 29 to November 5, 1997.

Vote: Motion carried 5 - 0

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