

**City of Bristol, Tennessee**

**Policy for Sale of Real Property acquired by the City  
through the Delinquent Tax Sale Process**

**Approved by City Council on August 7, 2018**

**Resolution 18-81**

**Policy Considerations:**

From time to time, the City of Bristol, Tennessee acquires certain property through the delinquent tax sale process pursuant to T.C.A. 67-5-2501. Tennessee law provides three options for the disposal of such property. First, the City may continue to offer the property for sale to the general public, at an amount equal to the City's lien for back taxes and other debts to the City. Second, upon a majority vote of City Council, the City may retain the property and use it for a public purpose. Third, for properties that were sold for municipal taxes only (not county taxes), City Council may, by majority vote, determine that it is impracticable to sell the property for the full amount of the taxes, penalty, cost and interest due, and sell the property for less than that amount. (See TCA 67-5-2508(C).)

Except where property is obviously useful to the City for public purposes, the City's priority should be to sell such tax sale properties as quickly as possible, in order to return them to productive use.

TCA 67-5-2511 requires the City Manager to cause to be prepared and maintained a list of all such parcels. The list must be prepared no later than July 1, 2018, and be published in a newspaper of general circulation in the county or posted on the City's website with a notice of the posting published in a newspaper of general circulation in the county. The list should be updated at least annually. Each list or notice published in accordance with this section may contain a solicitation for offers to purchase the parcels listed and a statement as to how and where such offers may be filed.

**Procedures:**

The City Attorney's office shall maintain a list of properties that have been acquired through the delinquent tax sale process. The list shall consist of properties that the City has caused to be put in a delinquent tax sale, for which no bids were received during the tax sale. The list shall contain at least the following information:

- Name of record owner of the property
- Address of the property
- Tax Map & Parcel Number of Property
- Date of Tax Sale
- Minimum Bid at Tax Sale (which should include current taxes owed, penalties, interest, costs and fees, including the cost to record a quitclaim deed for the property)
- Date of Expiration of Redemption Period

Through consultation with department heads, the City Attorney shall ascertain whether any property acquired through the delinquent tax sale process may be useful for public purposes by the City, by Bristol Tennessee City Schools, or Bristol Tennessee Essential Services. If properties are identified as being useful for a public purpose, the City Manager shall request City Council to determine whether it is in the best interests of the City to use the property for a public purpose and retain ownership and possession of such property. If City Council makes such a determination, as evidenced by a resolution of City Council, the property shall be removed from the list and the City Attorney shall request the Sullivan County Clerk & Master to execute a tax sale deed to the City. The City shall pay unpaid City and County property taxes to the Sullivan County Clerk & Master.

The list shall be updated after each Delinquent Tax Sale, if properties are to be added to the list. The list shall be updated as properties are sold, with a notation that a particular property has been sold. The most current version of the list shall be published on the City's website.

At least annually, the City Attorney's office will cause notice to be published in the Bristol Herald Courier, or other newspaper of general circulation in Sullivan County, that the list is available on the City's website. The posting will remind interested parties that purchasing tax sale properties may carry financial risk and that Buyers are responsible for researching the physical state, location, zoning, permitted uses, lien status and history of the property, and for conducting any other due diligence before acquiring the property.

City employees and elected and appointed officials may purchase tax sale properties in the same manner that other people may purchase such property.

If the City has attempted to sell tax sale properties using the above procedures for more than one (1) year, and no sale has resulted, and the property does not have delinquent county taxes, the City Manager shall request City Council to consider whether it is impracticable to sell such properties for the total amount owing on the property. In such cases, the City Council shall be asked to determine what a reasonable price for the property might be, and the City Attorney shall re-list the property at the lower price. City Council may use the tax assessed value of the property as guidance in determining a reasonable price for the property. If any non-profit organization is interested in obtaining such property, then the City Manager shall so notify City Council.

### **Procedure for Purchasing Properties:**

An interested party may submit an offer to purchase property at any time. An offer to purchase must include:

- A clear identification of the property that is intended to be purchased;
- The Buyer's full name, as it would appear on a deed. If the Buyer is an entity, the offer to purchase must include the full name and type of entity along with the state of

formation of the entity. If more than one individual is the Buyer, indicate how they will hold the property (e.g., as tenants by the entireties);

- The offer price, which must exceed the minimum bid;
- The Buyer's check in the amount of ten percent (10%) of the offer price, made out to the City of Bristol, Tennessee.

Only bona fide offers (as determined by the City Attorney's office) will be considered. Upon receipt of a bona fide offer to purchase, the City Attorney shall cause a notice to be published on the City's website and in the newspaper that an offer to purchase has been received, specifying the name of the bidder, the details of the offer and the subject property, and how counteroffers may be made. The City will deposit the Buyer's check. If the check is dishonored for any reason, the offer will not be bona fide.

Counteroffers may be made within ten (10) days of publication of the notice. To be considered, a counteroffer must raise the original offer by at least ten percent (10%). Counteroffers must satisfy the same requirements as offers to purchase. In the event of a counteroffer, the original offeror and those who have made counteroffers shall be invited to a bid-off to be held at least ten (10) day from the expiration of the counteroffer period. At the bid-off, all bidders must be present or represented by an agent with full authority to bid. At the bid-off, the City Attorney shall conduct an in-person auction among all the bidders present, with the highest bidder being awarded the right and obligation to buy the property.

Payment of the remaining purchase amount is due on the next business day after the bid-off or after the expiration of ten (10) days from publication of the notice, if no counteroffers are received. This payment must be made by cash, certified check or money order.

After the sale has been finalized, the city will record a quitclaim deed conveying the city's interest in the property to the new owner, and will mail the deed to the new owner.

All sales of property pursuant to this policy are final. The City shall make no warranties of title or of fitness for a particular use as to any property sold pursuant to this policy.