

NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, the City of Tatum (“City”), will consider entering into a contingent fee contract with the law firm of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (“Firm”) and hereby posts this notice pursuant to Sec. 2254.1036 of the Government Code.

WHEREAS, this notice shall be posted before or at the time of giving the written notice required by Government Code Sec. 551.041 for a meeting described by Sec. 2254.1036(a)(2) of the Government Code and shall announce the following:

A. The City pursuing a contract with the Firm for the collection of delinquent ad valorem taxes owed to the City and through this contract the City seeks to increase recovery of its delinquent debts in as expeditious a manner as possible. GOVT. CODE § 2254.1036(a)(1)(A).

B. The City believes the Firm has the competency, qualifications, and experience necessary to fulfill this contract. GOVT. CODE § 2254.1036(a)(1)(B). The Firm has collected delinquent government receivables for 52 years, including the collection of delinquent ad valorem taxes. The Firm currently has 15 primary offices and multiple satellite offices throughout Texas, Oklahoma and Florida. It employs more than 400 individuals, including over 60 attorneys. It uses a multi-office, fully integrated team approach allowing the City access to all its offices and resources. Its collection team consists of long-term Firm employees, including attorneys, call center associates, paralegals, law clerks, legal secretaries, collection support personnel and information technology experts. The Firm utilizes proprietary collection software that can be tailored to meet any special need the City may have. This proprietary software also automates many aspects of the collection process, such as: account/debtor research, mailings and phone calls, return mail and address updates, payment notification and processing and workflow.

C. The nature of any relationship between the City and the Firm is as follows. GOVT. CODE § 2254.1036(a)(1)(C).

The Firm currently represents City of Tatum for delinquent court fines and fees collections.

D. The City is unable to collect its delinquent ad valorem taxes. GOVT. CODE § 2254.1036(a)(1)(D). The City currently does not have adequate support staff, computer software/programming, or experience to internally conduct these collection services and acquiring these will result in substantial expense to the City.

E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(a)(1)(E). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent ad valorem taxes. This percentage-based fee is assessed only against the debtor and not the City or taxpayers of the City. The collection of delinquent ad valorem taxes is a high-volume practice, requiring a significant amount of research, mailing, and handling of outbound/inbound calls. An hourly fee for such work will likely exceed amount of delinquent ad valorem taxes due. Moreover, the City will bear the cost of these hourly fees and not the debtor, because the Tax Code does not expressly authorize the City to pay for collection services based on an hourly fee.

F. The City believes this contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(a)(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless the number of hours the Firm spends researching, contacting and mailing to collect the delinquent debt. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the City or taxpayers in the City.

Written Findings as to the Collections Contract with Perdue Brandon Fielder Collins & Mott, LLP

In an open meeting, the Board of Trustees for City of Tatum considered all matters listed in Section 2254.1036(a)(1) of the Government Code, as they relate to a contingent fee contract with Perdue Brandon Fielder Collins and Mott, LLP.

The Board of Trustees, pursuant to Section 2254.1036(b) of the Government Code, hereby finds the following to be true: 1) there is a substantial need for the legal services specified in said contract; 2) these legal services cannot be adequately performed by the attorneys and supporting personnel of City of Tatum; and 3) these legal services cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the matter for which these services will be obtained or because City of Tatum does not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees.

Therefore, this Board of Trustees hereby approves the contract by and between City of Tatum and Perdue Brandon Fielder Collins & Mott, LLP, for professional legal services regarding the collection of delinquent ad valorem taxes with services to be paid in accordance with Section 6.30 of the Texas Property Tax Code.

APPROVED and EXECUTED this the ____ day of _____, 2024.

On Behalf of the City Council for
City of Tatum, Rusk County, Texas

Take action to approve a contingent fee contract with Perdue Brandon Fielder Collins and Mott, LLP pursuant to Section 6.30 of the Texas Property Tax Code, said contract being for the collection of delinquent government receivables owed to City of Tatum and notice of said contract is posted with the agenda in accordance with Section 2254 of the Government Code.

RESOLUTION # _____

BE IT RESOLVED by **CITY OF TATUM**:

Whereas, Section 6.22 of the Texas Property Tax Code authorizes the governing body of a taxing unit to require the county to assess and collect the property taxes for taxing jurisdictions such as **CITY OF TATUM**, hereinafter referred to as the “District”, and

Whereas the District desires to require Rusk County to assess and collect its taxes,

NOW, THEREFORE BE IT RESOLVED by **CITY OF TATUM**, in a regularly called and duly posted meeting of the City Council, that the District by official action of the City Council resolves to require Rusk County to assess and collect its taxes all as contemplated by Section 6.22(c) of the Texas Property Tax Code.

Signed and Approved on this the ____ day of _____ 2024.

Mayor, City of Tatum

Attest:

City Secretary, City of Tatum