

**CONTRACT FOR THE COLLECTION OF
DELINQUENT TAXES**

THE STATE OF TEXAS

COUNTY OF JOHNSON

THIS CONTRACT is made and entered into by and between **JOHNSON COUNTY**, a political subdivision of the State of Texas, acting by and through its Commissioners Court, hereinafter called Taxing Authority, and **PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.**, Attorneys at Law, Arlington, Texas, or their duly authorized representatives, hereinafter called the Firm.

I.

Taxing Authority agrees to employ and does hereby employ the Firm to enforce by suit or otherwise, the collection of all delinquent taxes, penalty and interest, owing to the Taxing Authority which the Taxing Authority's Tax Collector refers to the Firm, provided current years taxes becoming delinquent within the period of this contract shall become subject to its terms upon the following conditions:

- A. Taxes that become delinquent during the term of this contract that are not delinquent for any prior year become subject to the terms of this contract on the 1st day of the month in which penalties attach to the taxes pursuant to Section 33.07, 33.08 and/or 33.11 of the Texas Property Tax Code; and
- B. Taxes that become delinquent during the term of this contract on property that are delinquent for prior years shall become subject to its terms on the first day of delinquency when such property is under litigation or comes under litigation or is referred to the firm for collection by the Taxing Authority's Tax Collector.
- C. Notwithstanding A or B, the taxing authority may turn over to the Firm to pursue remedies under Sections 33.48 or 33.21, et. Seq. of the Texas Property Tax Code at the tax authority's discretion, and said taxes will become subject to the terms of this contract.
- D. Taxing Authority reserves the right to make the final decision as to whether or not to enforce by suit any delinquent tax account turned over to the Firm for collection

II.

The Firm is to call to the attention of the collector or other officials any errors, double assessments or other discrepancies coming under their observation during the progress of the work and is to intervene on behalf of the Taxing Authority in all suits for taxes hereafter filed by any taxing unit on property located within its taxing jurisdiction.

III.

The Firm agrees to make progress reports to the Taxing Authority on request and to advise the Taxing Authority of all cases where investigation reveals taxpayers to be financially unable to pay their delinquent taxes.

IV.

All activities performed by the Firm in connection with this contract are at no out of pocket cost to the taxing authority.

V.

Taxing Authority agrees to pay the Firm as compensation for services rendered hereunder, the percentage as set forth below, of the total amount of all delinquent taxes, penalty and interest which are subject to this contract and which are actually collected and paid to the Taxing Authority's Collector of Taxes, when an equal amount of Section 33.07 or 33.08 penalties is recovered from the taxpayer. Other taxes, including current taxes, which are turned over to the Firm by the Taxing Authority's Tax Assessor-Collector because of the necessity of filing claims in Bankruptcy, with other Federal authorities, or for other reasons, shall become subject to the terms of this contract at the time they are turned over to the Firm and the Firm shall be entitled to the appropriate percentage, as set forth below, of any amounts of delinquent taxes, penalties, and interest actually received by the Taxing Authority, and also the appropriate percentage, as set forth below, of current taxes actually received by the Taxing Authority when such percentage is actually recovered from the taxpayer, if collected prior to July 1st of any tax year.

Compensation Amounts

15% of all tax year collections

VI.

Taxing Authority agrees to furnish to the Firm all data and information as to the name, and address of the taxpayer, the legal description of the property, years and amount of taxes due. Taxing

Authority further agrees to update said information by furnishing a list of paid accounts and adjustments to the tax roll as necessary. Section 33.48(a) (4) of the Texas Property Tax Code provides: "In addition to other costs authorized by law, a taxing unit is entitled to recover...reasonable expenses that are incurred by the taxing unit in determining the name, identity and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due:..." The Firm agrees to advance on behalf of Taxing Authority such costs and expenses. In consideration of the advancement of such costs and expenses by the Firm, Taxing Authority assigns its right to recover the same to the extent approved by the Court and/or customarily and usually approved by the Court. The Firm expressly waives any claim against Taxing Authority for uncollected costs or expenses.

VII.

The term of this Contract shall be from the 1st day of January, 2021, and shall end on the 31st day of December 2025. However, either party to this Contract shall have the right to terminate this Contract at any time by giving the other party thirty (30) days written notice of its desire and intention to terminate this Contract; and further provided that the Law Firm shall have an additional six (6) months to reduce to payment or judgment all tax litigation and bankruptcy claims filed prior to the date this Contract becomes terminated.

VIII.

Every provision of this Agreement is intended to be severable. If any term or provision hereof is hereafter deemed by a Court to be illegal, invalid, void or unenforceable, for any reason or to any extent whatsoever, such illegality, invalidity, or unenforceability shall not affect the validity of the remainder of this Agreement, it being intended that such remaining provisions shall be construed in a manner most closely approximating the intention of the Parties with respect to the illegal, invalid, void or unenforceable provision or part thereof.

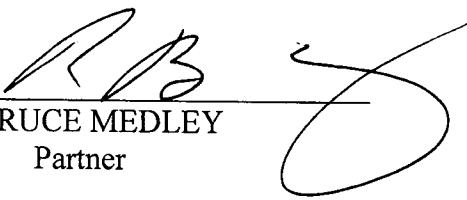
The Firm verifies that it does not boycott Israel and will not boycott Israel during the term of this contract. The term "boycott Israel" is defined by Texas Government Code Section 808.001, effective September 1, 2017. The Firm further verifies that it is not engaged in business with Iran, Sudan, or any foreign terrorist organization. The term "foreign terrorist organization" means an organization designated as foreign terrorist organization by the United States Secretary of State as authorized by 8 U.S.C. Section 1189.

In consideration of the terms and compensation herein stated, the Firm hereby accepts the terms of the contract and undertakes the performance of this Contract as above written. This Contract is executed on behalf of the Taxing Authority by the presiding officer of the governing body who is authorized to execute this instrument by Order heretofore passed and duly recorded in its minutes.


WITNESS the signatures of all parties hereto in duplicate originals this the 28th of September, 2020, Johnson County, Texas.

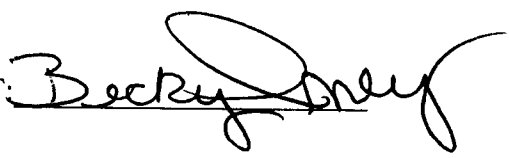
PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.

Attorneys at Law
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(817) 461-3344

By: 
R. BRUCE MEDLEY
Partner

JOHNSON COUNTY

By: 
Honorable Roger Harmon, County Judge

ATTEST: 



NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, Johnson County, 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. 2254.106 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(2) of the Government Code and shall announce the following:

A. Johnson County is entering into a contract with the Firm for the collection of property taxes owed to Johnson County and through this contract Johnson County seeks to increase recovery of its debts in as expeditious a manner as possible. GOVT. CODE § 2254.1036(1)(A).

B. Johnson County believes the Firm has the competency, qualifications, and experience necessary to fulfill this contract. GOVT. CODE § 2254.1036(1)(B). The Firm has collected delinquent government receivables for over 50 years. The Firm currently has 12 primary offices and multiple satellite offices throughout Texas, Oklahoma and Florida. It employs more than 400 individuals, including 52 attorneys. It uses a multi-office, fully integrated team approach allowing Johnson County 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 Johnson County may have.

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

The Firm represents Johnson County in the collection of delinquent taxes and delinquent fines and fees due to the District and County Courts and also represents Johnson County in the collection of delinquent fines and fees/tolls for the Justice Courts.

D. Johnson County is unable to collect its delinquent taxes. GOVT. CODE § 2254.1036(1)(D). Johnson County 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 Johnson County.

E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes. These percentage-based fees are assessed only against the debtor and not Johnson County or the taxpayers of Johnson County. The collection of delinquent 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 amounts of delinquent fines and fees due. Moreover, Johnson County will bear the cost of these hourly fees and not the

debtor, because the Tax Code does not expressly authorize the County to pay for collection services based on an hourly fee.

F. The County believes this contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless of 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 Johnson County or taxpayers in Johnson County.

NOW THEREFORE, be it resolved, this Commissioners Court, for the reasons stated above, hereby seeks to enter into a contingent fee contract between Johnson County and the law firm of Perdue, Brandon, Fielder, Collins and Mott, LLP for the collection of delinquent taxes.

Executed this the 24 day of September, 2020.

POSTED

_____ AM 1:07 PM

SEP 24 2020

Becky Ivey, Johnson County Clerk

By: [Signature], Deputy

[Signature]

On Behalf of the Commissioners Court

Johnson County, Texas

Agenda Item:

Take action to approve a contingent fee contract with Perdue, Brandon, Fielder, Collins and Mott, LLP pursuant to Tax Code 6.30, said contract being for the collection of property taxes owed to Johnson County.