



ORDER ON PROFESSIONAL LEGAL SERVICES CONTRACT

(Pursuant to Section 2254.1036 of the Texas Government Code and Tax Code Sections 6.30, 33.07, 33.08, 33.11, and 33.48 for the collection of delinquent tax collections services)

WHEREAS, the Texas Tax Code 6.30, 33.07, 33.08, 33.11, and 33.48, provide that the Commissioners Court of a County may enter into a contract with a private attorney/firm for the collection of Delinquent Tax Collection Services; and

WHEREAS, pursuant to Chapter 2254 of the Texas Government Code, the Hidalgo County Commissioners Court may enter into a contingent fee contract with a private attorney/firm for the rendition of professional legal services so long as the requirements of Chapter 2254 have been met; and

WHEREAS, the Commissioners Court of Hidalgo County has previously entered into with the law firm of Linebarger Goggan Blair & Sampson, LLP (the "Firm") for the Delinquent Tax Collection Services now seeks to enter the agreement for said services; and

WHEREAS, the Commissioners Court desires to enter the agreement for services that the Firm will perform for all legal services necessary to collect delinquent taxes and penalties provided by Sections 6.30, 33.07, 33.08, 33.11, and 33.48 as authorized by the Texas Tax Code;

NOW, THEREFORE, THE COMMISSIONERS COURT of HIDALGO COUNTY hereby finds the following:

1. The County requires that the delinquent taxes and penalties be collected as provided by law. *See* GOVT. CODE § 2254.1036(1)(A).
2. The engagement of the Firm in a professional services contract for the collection of said delinquent taxes and penalties owed to the County was necessary to assist in obtaining the maximum amount of outstanding delinquent taxes and penalties owed and in the most cost effective and expeditious manner. *See* GOVT. CODE § 2254.1036(1)(A).
3. The County finds the Firm has the competency, qualifications, and experience necessary in fulfilling the contract required by Government Code § 2254.1036(1)(B). The Firm has collected delinquent government receivables for over 45 years, including the collection of delinquent taxes and penalties. The Firm currently is a national law firm with several primary offices and multiple satellite offices throughout Texas that employ more than hundreds of individuals and attorneys. The firm has provided a unique service offering, combining the business of collections and advanced technology with the practice of law. The Firm's collection programs include supervision and participation of Attorneys in compliance with laws that govern the collection industry, and the laws of the State of Texas.

4. The nature of any relationship between the County and the Firm is as follows. *See* GOVT. CODE § 2254.1036(1)(C). The Firm has previously represented the County of Hidalgo and has contracted with the County for collection of delinquent tax service from January 1, 2019 through the present date, and therefore, has an established relationship.
5. The specialized legal services required cannot be performed by the attorneys and supporting personnel of the County due to the respective cost, infrastructure and technology needed to perform these services. *See* GOVT. CODE § 2254.1036(1)(D).
6. These collection services cannot be provided for on an hourly fee basis. *See* GOVT. CODE § 2254.1036(1)(E). Delinquent tax collections services, as provided by Sections 6.30, 33.07, 33.08, 33.11, and 33.48 of the Texas Tax Code allow the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes and penalties. An hourly fee for such work will likely exceed the amount of delinquent taxes and penalties. Moreover, the 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.
7. The current contingent fee contract for delinquent tax services is in the best interest of the County. *See* 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 taxes and penalties. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the County or taxpayers in the County.

Passed and Adopted, this _____ day of _____, 2024.

Be it so ordered:

RICHARD F. CORTEZ
County Judge

DAVID L. FUENTES
County Commissioner, Pct. 1

EDUARDO "EDDIE" CANTU
County Commissioner, Pct. 2

EVERARDO VILLARREAL
County Commissioner, Pct. 3

ELLIE TORRES
County Commissioner, Pct. 4

Attest: ARTURO GUAJARDO, JR.
County Clerk