

# Presentation for Delinquent Tax Collection Services



Perdue Brandon Fielder Collins & Mott LLP  
ATTORNEYS AT LAW



# Hidalgo County Project Team



Hiram A. Gutierrez – Project Manager  
Partner, Co-Managing Attorney



Thelma Banduch – Partner,  
Co-Managing Attorney



John T. Banks – Partner,  
Bankruptcy Attorney



Jonathan Garza – Associate Attorney



Ricardo "Rick" Palacios – Local Counsel



Mari Cortez – Office Manager

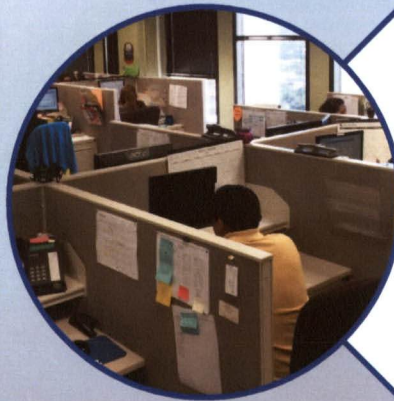


Romeo Cantu – Communications  
Director/Litigation Manager



Rodger Gonzales – Call Center Manager

# Hidalgo County Project Team



36 McAllen  
Office Staff  
Call Center,  
Legal Assistants  
& Other Staff



10 Member  
IT Support Team

# Methodology

- **Telephone Calls – Bilingual Call Center**
- **Mailings – Specialized, Mass & Individual**
- **Site Visits**
- **Personal Interviews**
- **Representation in Property Seizures**
- **Litigation – Tax Warrants, Tax Sales & Resales**
- **Abstracts of Judgment**
- **Bankruptcy Representation Nationwide**

# Tax Sale/Resale Program



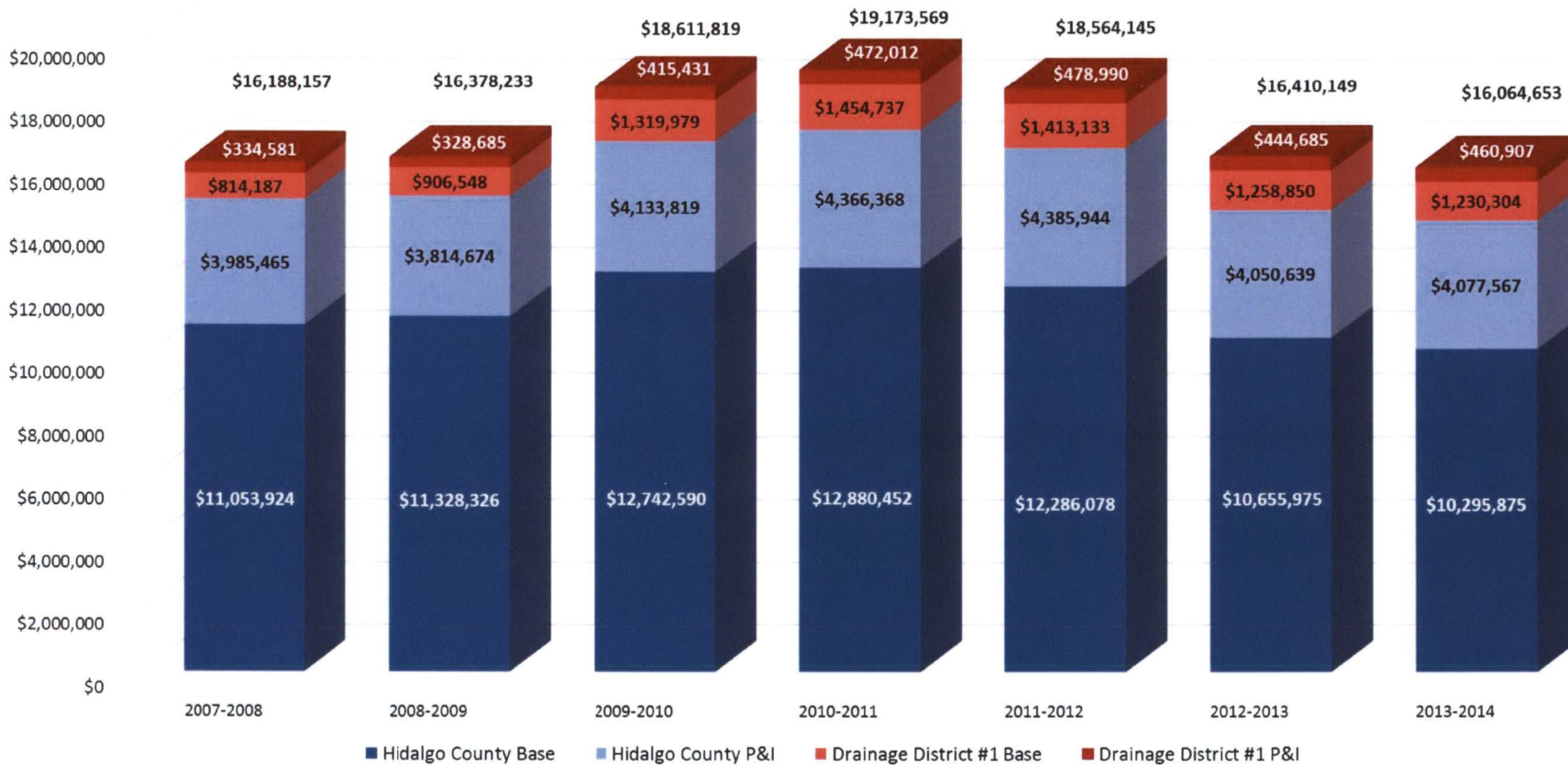
- **Hidalgo County:  
\$785,600 collected  
tax sale/resale  
program**
- **Record-Breaking  
November 2014  
Resale generated  
\$964,237 for ALL  
taxing entities**

# Understanding the Project

**Since 2007, Perdue Brandon collected more than \$121 million in taxes penalties and interest.**

# Base and P&I

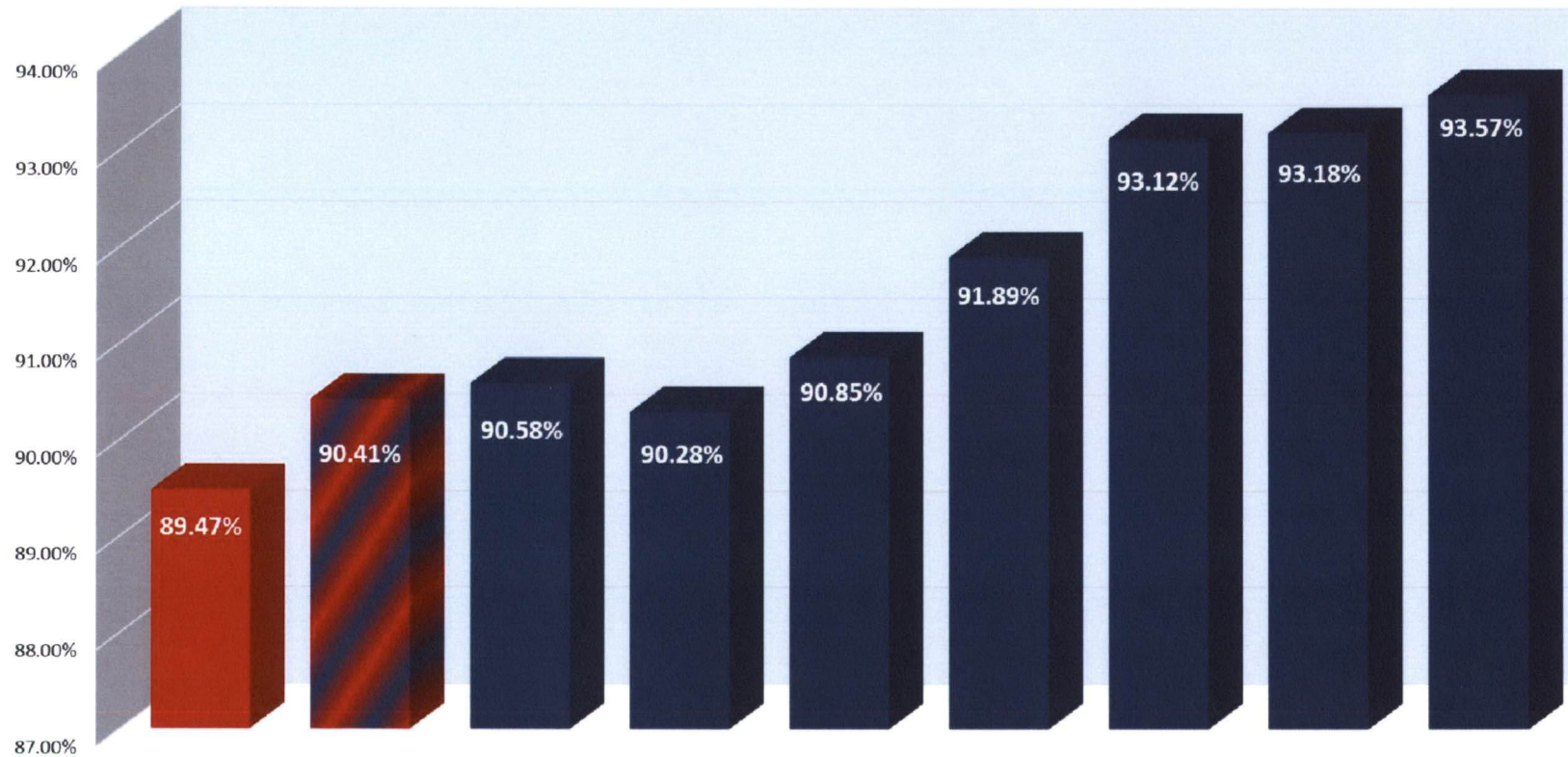
## Hidalgo County and Drainage District # 1 Delinquent Tax Collections



**Grand Total: \$121,390,725**

Source: Hidalgo County Tax Office

# Hidalgo County Current Tax Collections

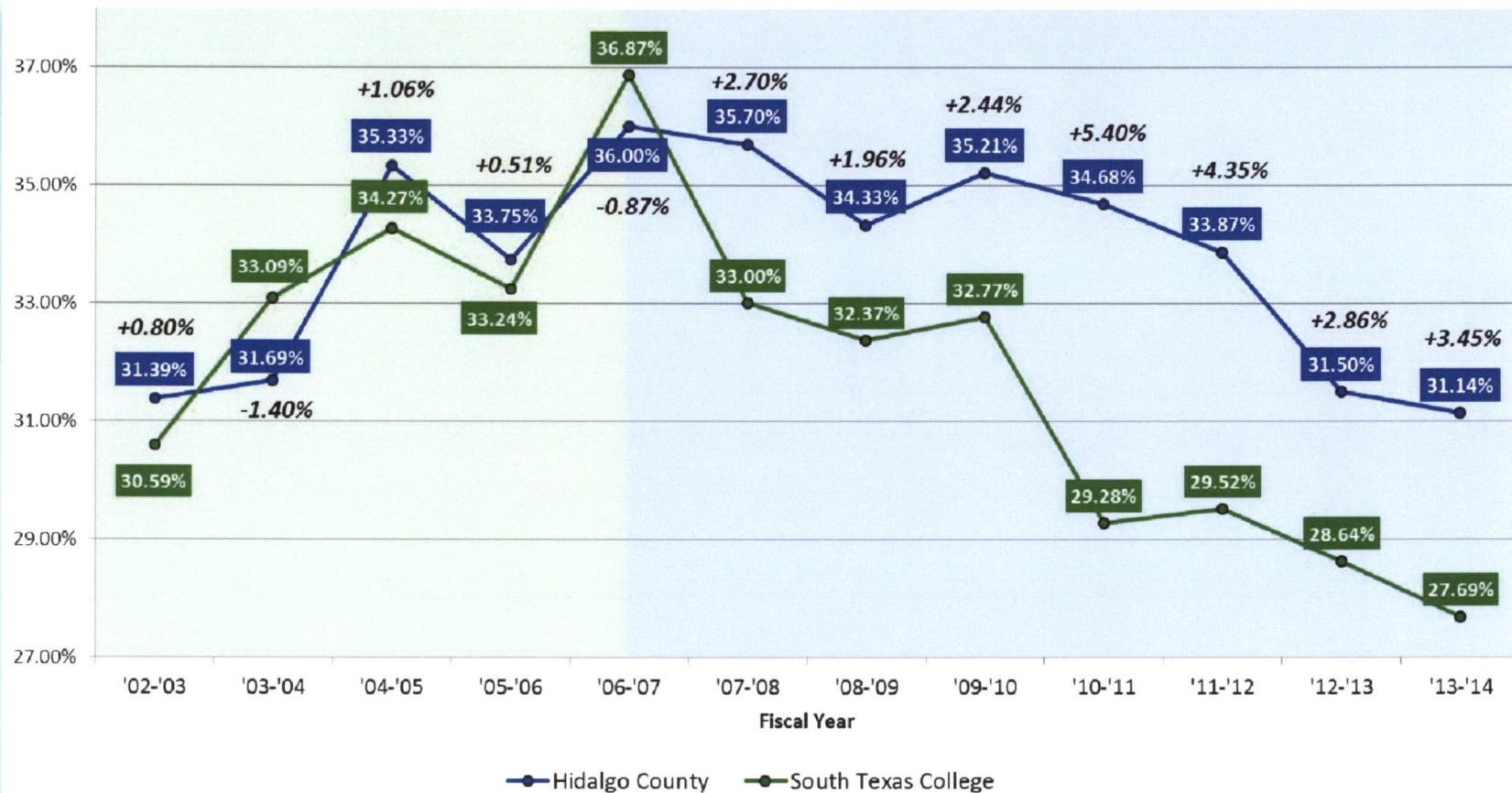


	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014
Adjusted Levy	\$113,297,195	\$125,979,726	\$145,369,181	\$160,340,589	\$162,543,589	\$160,302,825	\$157,922,419	\$159,331,250	\$163,213,753
YTD Collections	\$101,367,304	\$113,904,152	\$131,675,072	\$144,761,608	\$147,676,472	\$147,294,797	\$147,059,510	\$148,463,572	\$152,712,402
Receivable Balance	\$11,929,891	\$12,075,574	\$13,694,109	\$15,578,981	\$14,867,117	\$13,008,028	\$10,862,909	\$10,867,678	\$10,501,351
Collection %	89.47%	90.41%	90.58%	90.28%	90.85%	91.89%	93.12%	93.18%	93.57%

A strong delinquent tax collection program improves current collections.

Source: Hidalgo County Tax Office

# Hidalgo County vs. South Texas College Delinquent Base Tax Collections: Percentage Comparison



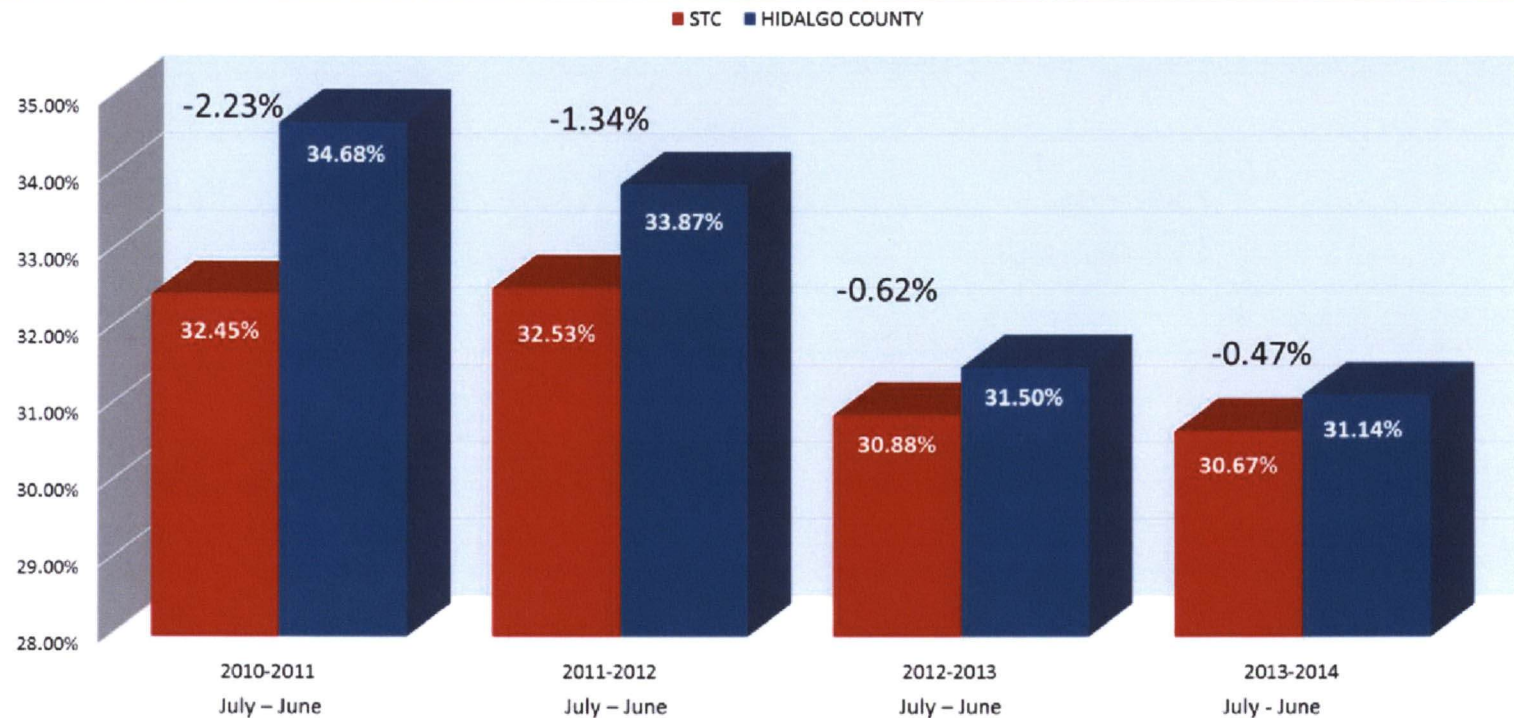
Hidalgo County Fiscal Year: July 1<sup>st</sup>-June 30<sup>th</sup>

South Texas College Fiscal Year: September 1<sup>st</sup>-August 31<sup>st</sup>

Prior to the 2006-2007 Fiscal Year, your previous firm represented Hidalgo County and South Texas College. Despite having different fiscal year periods, both entities had very similar collections. Perdue took sole control of collections for Hidalgo County in 2007-2008, and collections have outperformed South Texas College collections every year thereafter.

Source: Hidalgo County Tax Office

# Hidalgo County vs. South Texas College Head-to-Head Comparison: July—June Delinquent Base Tax Comparison

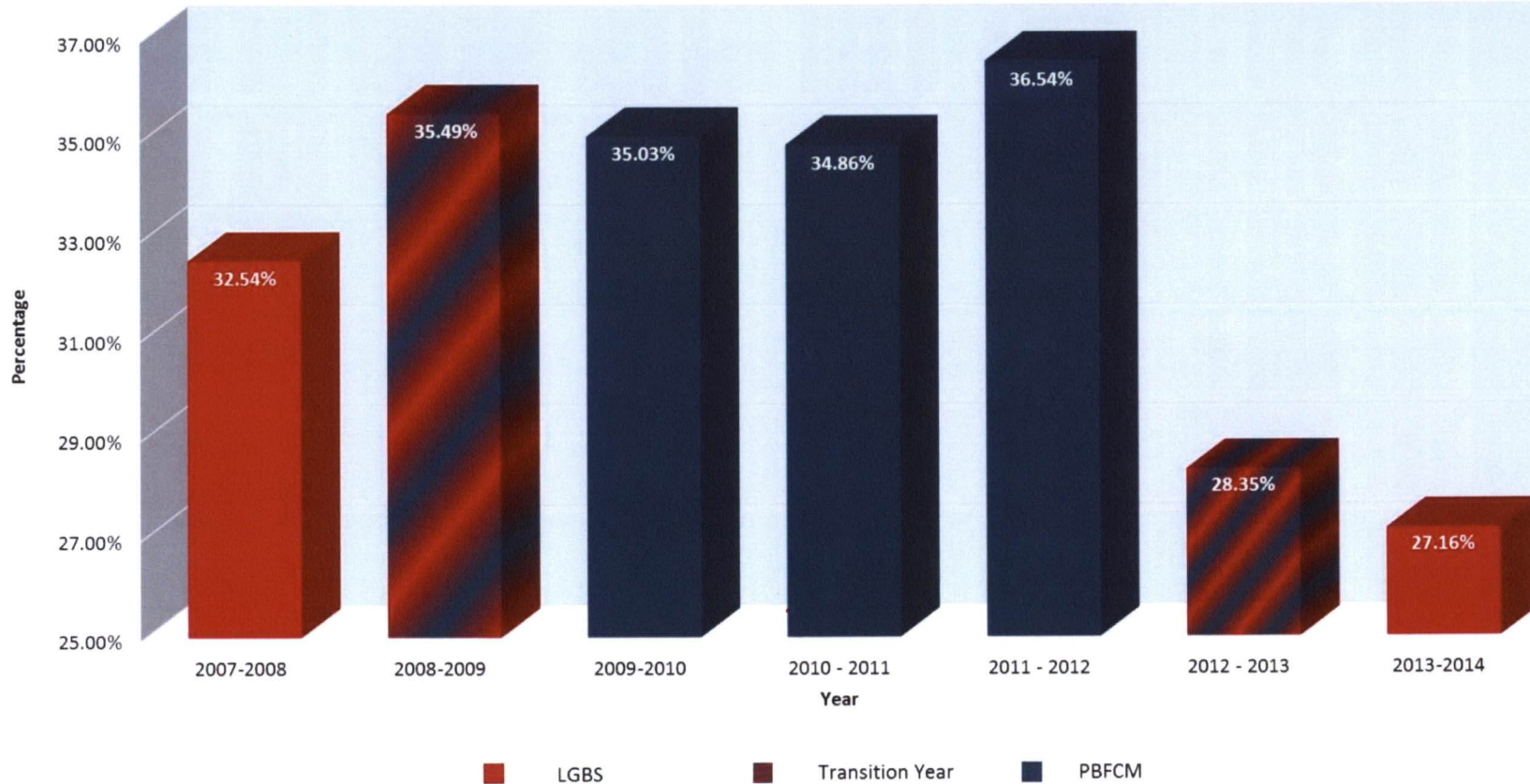


Delinquent Levy	\$37,138,137.00	\$36,279,119.00	\$33,831,232.00	\$33,060,085.00	
P&I	34%	35%	38%	39%	
Base	\$828,180.00	\$486,140.00	\$209,753.00	\$142,158.00	<b>-\$1,666,231.00</b>
Base + P&I	\$1,109,761.00	\$656,289.00	\$289,460.00	\$197,600.00	<b>-\$2,253,110.00</b>

We have calculated the collection percentage for STC (a Linebarger client) on a July through June period to coincide with the County's fiscal year. The County has had superior collections every year for the last 4 years. Under South Texas College collection rates, Hidalgo County would have suffered a \$2.25 million loss in revenue.

Source: Hidalgo County Tax Office

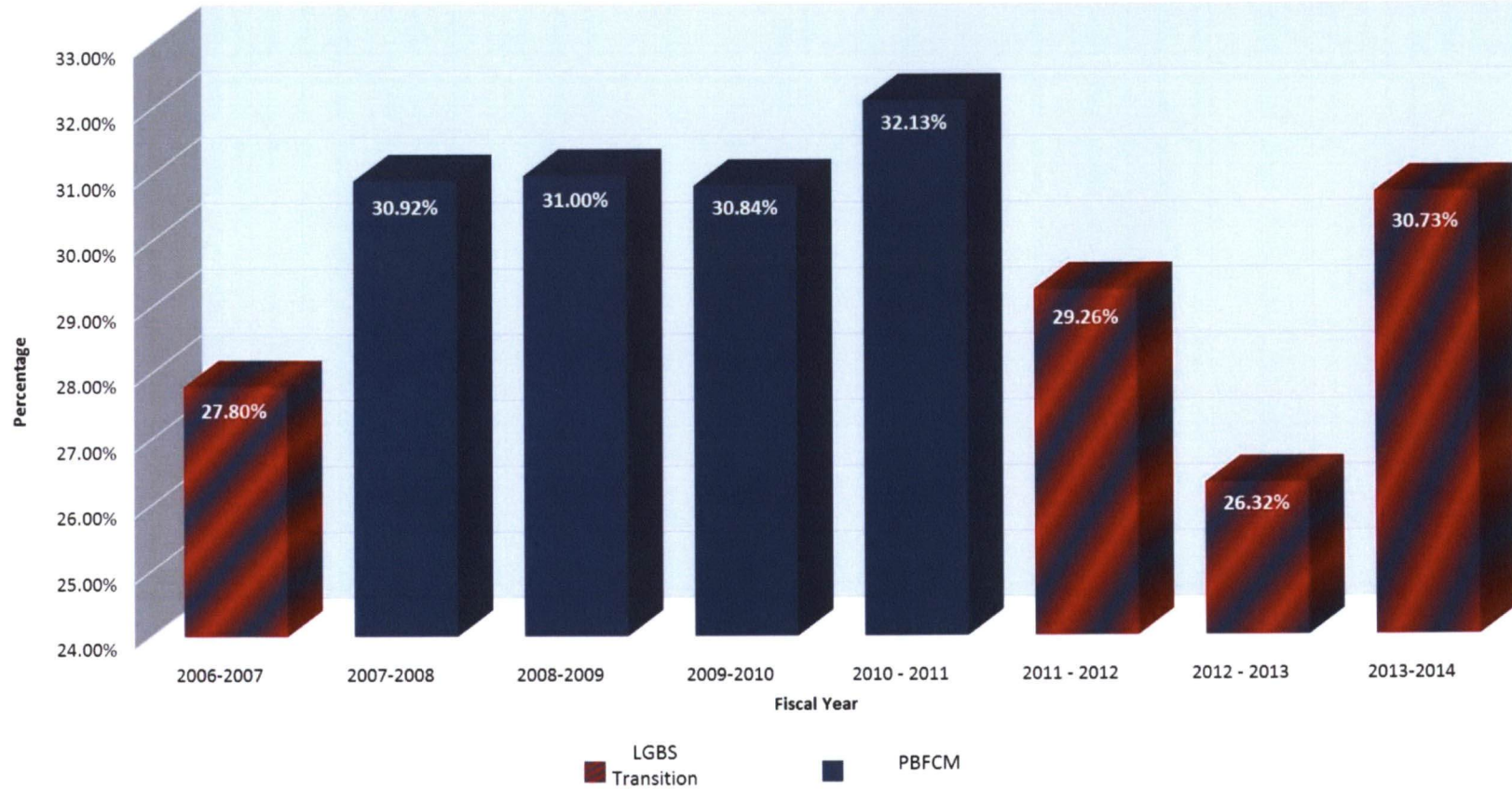
# City of Pharr Delinquent Base Tax Collections



In September of 2008, Perdue took over collections at the City of Pharr from Linebarger. During 2008-2009, when collections were transitioned to Perdue, collections increased to 35.49%. During the 3 fiscal years that Perdue was solely responsible for collections at the City of Pharr, collections averaged 35.48%. In 2012-2013 the City of Pharr switched back to Linebarger and collections immediately decreased to 28.35% and 27.16% for the following years.

Source: Hidalgo County Tax Office

# La Joya ISD Delinquent Base Tax Collections



In May 2007, Perdue took over collections from Linebarger at La Joya ISD. During 2007-2008, Perdue increased La Joya ISD collections to 30.92% and collections averaged 31.32% for the following 3 fiscal years. At the beginning of 2011-2012, La Joya ISD switched back to Linebarger and collections immediately dropped to 29.26% and 26.32% the following fiscal years. In February 2013, La Joya ISD switched back to Perdue and collections increased to 30.73% for the 2013-2014 fiscal year.

Source: Hidalgo County Tax Office

# Perdue is the Right Choice

- **Staffing of Project**

- Experienced Staff: Attorneys, Bilingual Call Center & Legal Assistants

- **Project Team Experience**

- 54 Team Members for Hidalgo County Project

- **Methodology**

- Personal Approach, Letters, Personal Visits, Litigation & Tax Sale Program

- **Understanding the Project**

- Collected more than \$121 million

- **Fee**

**12.5% Attorneys' Fee**

# Attorneys' Fee

**2006 – 20% Attorneys' Fee**

**2007 – 15% Attorneys' Fee**

# Attorneys' Fee

## Dropping Fee Creates Ripple Effect

Other taxing entities follow  
Hidalgo County's lead and drop  
attorneys' fee to 15%

Hidalgo County Taxpayer Savings:  
\$2 Million Annually

# Attorneys' Fee

**2014 – 12.5% Attorneys' Fee**

**\$175,000 – Taxpayer Savings First Year**

**\$400,000 – Taxpayer Savings Annually**

# Thank You



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