

NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, Montague County ("County"), will consider entering into a contingent fee contract(s) 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. The County is pursuing a contract with the Firm for the collection of delinquent tax receivables and through this contract the County seeks to increase recovery of its delinquent taxes in as expeditious a manner as possible. GOVT. CODE § 2254.1036(1)(A).

B. The 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 nearly 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 more than 50 attorneys. It uses a multi-office, fully integrated team approach allowing the 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 the County 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 work-flow.


C. The nature of any relationship between the County and the Firm is as follows. GOVT. CODE § 2254.1036(1)(C). The firm currently collects the County's delinquent court receivables.

D. The County is unable to perform this function and efficiently collect its own delinquent receivables. GOVT. CODE § 2254.1036(1)(D). The 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 the County.

E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). Texas law allows the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes. This percentage-based fee is assessed only against the debtor and not the County or taxpayers of the County. The collection of delinquent receivables 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 debt owed. Moreover, the County will bear the cost of these hourly fees and not the debtor, because Texas law does not expressly authorize the County to pay for collection services based on an hourly fee.

E. 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 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 County or taxpayers in the County.

Executed this the 17th day of JANUARY, 2020.



County Judge
Montague County, Texas

From: Tony Fidelie <tfideli@pbfc.com>
Sent: Tuesday, January 21, 2020 10:53 AM
To: k.phillips@co.montague.tx.us
Subject: Agenda Language
Attachments: Montague County Notice.docx

Kathy,

As requested, below is the proposed agenda language for Monday.

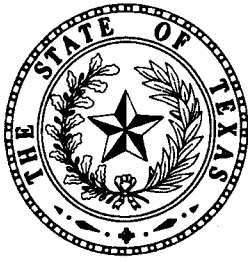
1. **Receive presentation(s) related to delinquent tax collection contract.**
2. **Consider approving a contingent fee tax collection contract with Perdue, Brandon, Fielder, Collins and Mott, LLP. This item being called for the purpose of considering the matters listed in Govt Code Sec. 2254.1036(a)(1). Requisite notice of these items is posted with this agenda.**

So, due to some new legislation that took effect on 9/1/19, the attached addendum also needs to be attached to the original agenda when posted. Apparently, there was a commissioners court in South Texas that hired a law firm on a contingency fee for a major opioid case. The Commissioners court received millions, but the law firm took 40%. The state saw this to be a problem and now, when you contract with a lawyer, the following attached disclosures have to be attached to the agenda. As you know, our legal contracts are different - our fees add on to what is owed the county, we don't take anything away from what the county receives. But, since it is a "contingent fee legal contract", the language on the agenda is a little different and the document has to be attached.

Probably way to much more info than you care about... just wanted to explain 😊. If you or the Judge have any questions, please let me know.

Thanks,
Tony

DNR



Rick Lewis
Montague County Judge
P.O. Box 475
Montague, Texas 76251

DNR

940-894-2401 Phone

940-894-3999 Fax

January 28, 2020

Mr. Corey Fickes
Capital Partner
Linebarger, Goggan, Blair, and Sampson, LLP
100 Throckmorton, Suite 300
Fort Worth, TX 76102

Mr. Fickes:

As you are aware, the Montague County Commissioner's Court voted to terminate the delinquent tax and court fine and fee contracts with your firm and hire the law firm of Perdue, Brandon, Fielder, Collins and Mott, LLP. As is protocol, the Commissioner's Court requested that I notify you in writing.

Perdue will be taking over collections on March 1, 2020. In order to allow for a seamless transition, please do not file any new lawsuits or commence any collection procedures from today forward. Until September 1, 2020, you may bring to judgment any tax suit which has already been filed by your firm.

Thank you for your service to Montague County.

Sincerely,

A handwritten signature in black ink, appearing to be "RL", written over a horizontal line.

Rick Lewis,
Montague County Judge