



City of League City, TX

300 West Walker
League City TX 77573

Text File

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Title

Consider and take action on a resolution authorizing a contingent fee professional services agreement with Linebarger Goggan Blair and Sampson, LLP for delinquent ad valorem tax and delinquent municipal court fee/fine collection services (Mayor Hallisey)

..Background:

Approval of this item will authorize a five-year agreement between the City and Linebarger Goggan Blair & Sampson, LLP, for the collection of delinquent property taxes and the collection of unpaid fines, fees and court costs.

For delinquent ad valorem tax collections, Linebarger will be compensated on a contingent fee basis as provided in the Texas Tax Code Sections 6.30, 33.07, 33.08, 33.11, and 33.48, at a rate of twenty percent (20%). These Texas Tax Code sections specifically provide for an additional penalty on delinquent taxes to compensate collection attorneys, capped at 20%.

For the collection of unpaid fines, fees and court costs, Linebarger will be compensated on a contingent fee basis as provided in Texas Code of Criminal Procedure Art. 103.0031. This Article specifically provides for an additional collection fee in the amount of 30 percent in certain cases to compensate collection attorneys.

Linebarger Goggan Blair & Sampson, LLP has represented the City of League City for the past 11 years in the collection of unpaid fines, fees and court costs, beginning in December 2008.

Total Net Collections for Court and Utility Billing

	Court Collections	Utility Billing Collections
2019	\$382,537	\$15,837
2018	\$337,109	\$25,628
2017	\$388,136	\$7,970

Total Net Collections for Delinquent Tax Collections

	Delinquent Annual Amount	Amount Collected	Amount Outstanding	Normal Collection
Rate	Rate with LB			
2019	\$636,171	\$335,949	\$300,022	98.65% 99.36%
2018	\$665,023	\$517,021	\$148,002	98.52% 99.67%
2017	\$775,273	\$671,052	\$104,221	98.23% 99.76%
2016	\$498,849	\$420,094	\$78,755	98.77% 99.81%

Linebarger agreed to language in section 3.01 of the proposed contract, which would function to automatically reduce the 20% percent add-on that delinquent League City taxpayers bear to a lower rate if Linebarger enters into a new contract in the Houston metro area for delinquent tax collection at such lower rate. This language provides perpetual price protection for the tax collection services going forward.

CONTRACT ORIGINATION: Reviewed and approved by the City Attorney's Office

Attachments:

1. Data Sheet
2. Proposed Resolution
3. Exhibit A - Agreement with Linebarger
4. Tax Collection Report
5. Delinquent Tax Collection Summary
6. Court Fines and Utility Bills Collection Summary

FUNDING

{x} NOT APPLICABLE

STRATEGIC PLANNING

{x} NOT APPLICABLE