

AGENDA ITEM 19

Discuss and take appropriate action on the renewal of the MVBA (delinquent tax attorneys) contract.

Tax Assessor/Collector Deborah Hunt and Harvey Allen of McCreary, Veselka, Bragg & Allen discussed the contract. Ms. Hunt noted that Williamson County has one of the highest collection rates in the state, and attributed some of that success to the diligence of the law firm, that has been working with the county for six years.

Mr. Allen explained that the two major changes in the contract were to increase the contract from 3 years to 4 years, and to allow the firm to collect an increased fee from delinquent taxpayers to offset a possible reduction in revenue caused by lower school tax rates proposed by the legislature, and only takes effect if the legislation is passed.

Moved: **Commissioner Boatright**

Seconded: **Commissioner Hays**

Motion: To approve the renewal of the contract for delinquent tax collection with McCreary, Veselka, Bragg & Allen.

Vote: 4 – 1. **Commissioner Heiligenstein voted against the motion, due to lack of time to review the contract, which was just presented to the court.**

< Attachment >

**CONTRACT FOR THE COLLECTION OF
DELINQUENT PROPERTY TAXES**

THE STATE OF TEXAS §
 §
COUNTY OF WILLIAMSON §

THIS CONTRACT is made and entered into by and between the **THE COUNTY OF WILLIAMSON, TEXAS (The County)**, acting herein by and through the Commissioners' Court, and **McCreary, Veselka, Bragg & Allen, P.C. (The Firm)**, 5929 Balcones Drive, Suite 200, P. O. Box 26990, Austin, Texas 78755.

I.

The County agrees to employ and does hereby employ **The Firm** to enforce by litigation or otherwise the collection of all delinquent property taxes, penalty and interest owing to **The County** and all the other taxing units for which **The County** collects property taxes. **The Firm** agrees to perform those same services. Current year taxes which become delinquent within the period of this Contract shall become subject to the terms of the Contract upon the following conditions:

A. Taxes that become delinquent during the term of this Contract, that are not delinquent for any prior years, become subject to the terms of this Contract on July 1st of the year in which they become delinquent.

B. Taxes that become delinquent during the term of this Contract, on property that is delinquent for prior years and is the subject of a suit to collect the prior years delinquent taxes, shall become subject to its terms on the first day of delinquency as defined by the Texas Property Tax Code.

II.

The County agrees to furnish all necessary delinquent tax information to **The Firm** on all property within the boundaries of **The County** and all the other taxing units for which **The County** collects property taxes. **The County** hereby authorizes **The Firm** to determine the name, identity and location of necessary parties and to procure necessary legal descriptions of property and hereby assigns to **The Firm** the right to recover the costs of obtaining such information.

III.

The Firm is to advise **The County** of errors, double assessments or other discrepancies coming under observation during the progress of the work.

IV.

The Firm is to intervene on behalf of **The County** and all other taxing units for which **The County** collects property taxes in all suits for ad valorem taxes hereafter filed by any other taxing unit on property located within its boundaries.

V.

The Firm shall make written delinquent tax collection progress reports to **The County** on request.

VI.

The Firm will reimburse The Tax Assessor-Collector in an amount not to exceed \$19,000 for each twelve month period from July 1st to June 30th that this Contract is in effect for funds expended by The Tax Assessor-Collector for the purchase of office equipment and/or computer hardware or software for use in or by The Williamson County Tax Office or training for the staff of The Williamson County Tax Office. In addition, in order to defer the cost of the maintenance fees on The Williamson County Tax Office computer system or other office equipment, The Tax Assessor-Collector shall be entitled to withhold from the fees due to **The Firm** the amount of \$1,667 per month.

VII.

The Firm will process and mail at its expense notices of delinquency which include all current year delinquent taxes in either February or March and in May of each year. Prior to May 10th of each year, **The County** shall furnish to **The Firm** on electronic media all data necessary to process and mail the notices of delinquency required by Section 33.07 of the Texas Property Tax Code.

VIII.

The County shall provide office space to **The Firm** in close proximity to The County Tax Office similar to that occupied by **The Firm** since June, 1997.

IX.

The County agrees to pay **The Firm**, for services rendered, subject to the provisions of paragraph VI of this Contract, Fifteen Percent (15%) of all delinquent taxes, penalty and interest collected by The Williamson County Tax Office for **The County** and all the other taxing units for which **The County** collects during the term of this Contract. The penalty imposed pursuant to Section 33.07 of the Texas Property Tax Code is not subject to this contractual fee. **The County** does hereby adopt the additional penalty provided by Section 33.07 of the Texas Property Tax Code. All fees provided for in this Contract shall become the property of **The Firm** at the time payment of taxes, penalty and interest is made to **The County**. **The County** shall pay fees due **The Firm** monthly by check.

X.

This Contract is effective for an initial period beginning July 1, 2003, and ending June 30, 2007. Thereafter, this Contract shall continue in full force and effect on the same terms and conditions from year to year for additional twelve month periods beginning July 1st and ending June 30th until this Contract is terminated by either **The Firm** or **The County** delivering written notice of termination to the other party at least thirty (30) days prior to June 30th of any additional twelve (12) month period. Upon termination of this Contract, **The Firm** shall have an additional six (6) months to reduce to judgment and sale all tax collection lawsuits filed, and collect all bankruptcy claims filed prior to the termination date and shall have the exclusive right to compensation of fees earned due to these suits during this six (6) month period.

XI.

In the event that the annual tax levies for the school districts for which **The County** collects property taxes decrease by Fifteen Percent (15%) or more from the previous year's tax levies of the same school districts, effective on the first day of the next July of the year following the year in which the decrease in the school district tax levies occurs, Paragraphs VI and IX of this Contract are hereby amended as follows:

- A. The provisions of Paragraph VI are void.
- B. Paragraph IX. **The County** agrees to pay fees to **The Firm** for services rendered pursuant to this Contract, Twenty Percent (20%) of all delinquent taxes, penalty and interest collected by The Williamson County Tax Office for **The County** and all the other taxing units, including The State of Texas, for which **The County** collects property taxes. The penalty imposed pursuant to Section 33.07, Texas Property Tax Code is not subject to the contractual fee due **The Firm**. **The County** does hereby adopt a Twenty Percent (20%) additional penalty as provided for by Section 33.07, Texas Property Tax Code, **The County** shall pay the fees due to **The Firm** at least once each month by check.

XII.

This Contract is executed on behalf of **The County** by the County Judge who is authorized to execute this Contract by order heretofore passed by the Commissioners' Court and duly recorded in its minutes. In consideration of the terms and compensation herein stated, **The Firm** hereby accepts said employment and undertakes the performance of this Contract as above written.

WITNESS the signatures of all parties hereto in duplicate originals this the 24
day of June, A.D. 2003, Williamson County, Texas, to be effective as of July 1, 2003.

THE COUNTY OF WILLIAMSON, TEXAS

BY John C. Daehler 6-24-03
County Judge

McCREARY, VESELKA, BRAGG AND ALLEN, P.C.
Attorneys at Law
5929 Balcones Drive, Suite 200
P. O. Box 26990
Austin, Texas 78755-0990

BY Harvey M. Allen
Harvey M. Allen

AGENDA ITEM 20

Discuss and take appropriate action on new Dealer Title Application contracts for the Auto Dealers and Tax Assessor/Collector substation contracts with HEB and Albertson's.

Moved: **Commissioner Boatright**

Commissioner Boatright withdrew his motion.

Moved: **Judge Doerfler**

Seconded: **Commissioner Limmer**

Motion: To approve new Dealer Title Application contracts for the Auto Dealers and Tax Assessor/Collector substation contracts with HEB and Albertson's.

Vote: 4 – 1. **Commissioner Heiligenstein** voted against the motion, due to lack of time to review the contract, which was just presented to the court.

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