

NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036

WHEREAS, Hunt County ("County"), will consider entering into a contingent fee contract with either the law firm of Abernathy, Roeder, Boyd & Hullett P.C., or Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Firms") and hereby posts this notice pursuant to Sec. 2254.1036 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(a)(2) of the Government Code and shall announce the following:

A. The County pursuing a contract with the Firms for the collection of delinquent ad valorem taxes owed to the County and through this contract the County seeks to increase recovery of its delinquent debts in as expeditious a manner as possible. GOVT. CODE § 2254.1036(a)(1)(A).

B. The County believes the Firms have the competency, qualifications, and experience necessary to fulfill this contract. GOVT. CODE § 2254.1036(a)(1)(B). The Firms have collected delinquent government receivables for many years, including the collection of delinquent ad valorem taxes.

C. The nature of any relationship between the County and the Firms is as follows. GOVT. CODE § 2254.1036(a)(1)(C).

The Firm has no prior relationship with the County.

D. The County is unable to collect its delinquent ad valorem taxes. GOVT. CODE § 2254.1036(a)(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(a)(1)(E). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent ad valorem taxes. This percentage-based fee is assessed only against the debtor and not the County or taxpayers of the County. The collection of delinquent ad valorem taxes 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 delinquent ad valorem taxes due. 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.

F. The County believes a contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(a)(1)(F). Under the contingent fee contract, the Firms will be paid the amount of the percentage-based collection fee, regardless the number of hours the Firms spend 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.