

**CONTRACT FOR THE COLLECTION OF  
DELINQUENT TAXES**

**THE STATE OF TEXAS**                   §  
   §  
**COUNTY OF TARRANT**               §

THIS CONTRACT is made and entered into by and between the **CITY OF MANSFIELD**, acting herein and through the City Council, hereinafter called “Taxing Authority,” and **PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.**, Attorneys at Law, Arlington, Texas, or their duly authorized representatives, hereinafter called “the Firm.”

**I.**

Taxing Authority agrees to retain the services and does hereby retain the services of the Firm to enforce, by suit or otherwise, the collection of all delinquent taxes, penalty and interest, owing to Taxing Authority and which Taxing Authority’s Tax Assessor-Collector refers to the Firm. Current year taxes that become delinquent within the period of this Contract shall become subject to this Contract’s terms upon the following conditions:

- A. Taxes that become delinquent during the term of this Contract that are not delinquent for any prior year become subject to the terms of this Contract on the 1st day of the month in which penalties attach to the taxes pursuant to Section 33.07, 33.08 and/or 33.11 of the Texas Property Tax Code.
- B. Taxes that become delinquent during the term of this Contract on property that is delinquent for prior years shall become subject to its terms on the first day of delinquency when such property is under litigation, comes under litigation, or is referred to the Firm for collection by Taxing Authority’s Tax Assessor-Collector.

- C. Notwithstanding A or B, the Taxing Authority may turn over to the Firm to pursue remedies under Sections 33.48 or 33.21, et. Seq., of the Texas Property Tax Code at Taxing Authority's discretion, and said taxes will become subject to the terms of this Contract.
- D. All delinquent personal property taxes that shall become subject to this Contract are to be turned over to the Firm for collection 60 days after the delinquency date for said taxes. A 15% penalty shall be assessed against the taxpayer to defray the cost of collecting those taxes as provided by Section 33.11, Texas Property Tax Code. All collection penalties or attorney fees collected on those taxes are the property of the Firm and shall be paid in the same manner as all other collection penalties or attorney fees under this Contract.
- E. Other taxes, including current taxes, which are turned over to the Firm by Taxing Authority's Tax Assessor-Collector because of the necessity of filing claims in Bankruptcy, with other Federal authorities, or for other reasons, shall become subject to the terms of this Contract at the time they are turned over to the Firm and the Firm shall be entitled to the appropriate percentage, as set forth in Paragraph IV, of any amounts of delinquent taxes, penalties, and interest actually received by Taxing Authority.
- F. Taxing Authority reserves the right to make the final decision as to whether or not to enforce by suit any delinquent tax account turned over to the Firm for collection.

## **II.**

The Firm is to call to the attention of the Taxing Authority's Tax Assessor-Collector or other designated officials any errors, double assessments or other discrepancies coming under its observation during the progress of the work and is to intervene on behalf of Taxing Authority in all suits for taxes hereafter filed by any taxing unit on property located within its taxing jurisdiction.

## **III.**

The Firm agrees to make progress reports to Taxing Authority on request and to advise Taxing Authority of all cases where investigation reveals taxpayers to be financially unable to pay their delinquent taxes.

## **IV.**

Taxing Authority agrees to pay the Firm, as compensation for services rendered hereunder, the percentage as set forth below of the total amount of delinquent taxes, penalties, and interest which are subject to this Contract and which are collected and paid to the Taxing Authority's Tax Assessor-Collector, when an equal amount of Section 33.07, 33.08 or 33.11 penalties is recovered from the taxpayer. This shall be fifteen percent (15%) or the current rate being charged to the taxpayer, whichever is greater, but shall not exceed twenty percent (20%).

Other taxes, including current taxes, which are turned over to the Firm by the Taxing Authority's Tax Assessor-Collector because of the necessity of filing claims in bankruptcy, with other federal authorities, or for other reasons, shall become subject to the terms of this Contract at the time they are turned over to the Firm and the Firm shall be entitled to the appropriate percentage-based compensation, as set forth above, of any amounts of delinquent taxes, penalties, and interest received by the Taxing Authority. The Firm also shall be entitled to the appropriate

percentage-based compensation, as set forth above, of current taxes received by the Taxing Authority when such percentage-based compensation is collected from the taxpayer prior to July 1<sup>st</sup> of any tax year.

Such compensation shall become the property of the Firm at the time such delinquent taxes, penalty, and interest are actually paid to Taxing Authority's Tax Assessor-Collector. The Tax Assessor-Collector shall pay said compensation to the Firm monthly by check or other mutually agreed method with such agreement formalized in writing and signed by both parties.

## **V.**

Taxing Authority agrees to furnish to the Firm all data and information as to the name and address of the taxpayer, the legal description of the property, and years and amount of taxes due. Taxing Authority further agrees to update said information by furnishing a list of paid accounts and adjustments to the tax roll as necessary. The Firm agrees that it will not share or disclose any confidential Taxing Authority information with any other company, individual, organization or agency without the prior written consent of the Taxing Authority, except as may be required by law or where such information is otherwise publicly available.

Section 33.48(a)(4) of the Texas Property Tax Code provides: "In addition to other costs authorized by law, a taxing unit is entitled to recover...reasonable expenses that are incurred by the taxing unit in determining the name, identity and location of necessary parties and in procuring necessary legal descriptions of the property on which a delinquent tax is due...." The Firm agrees to advance on behalf of Taxing Authority such costs and expenses. In consideration of the advancement of such costs and expenses by the Firm, Taxing Authority assigns its right to recover the same to the extent approved by the Court and/or customarily and usually approved by the

Court. The Firm expressly waives any claim against Taxing Authority for uncollected costs or expenses.

## **VI.**

This Contract is for a period of one (1) year and shall commence on the 1st day of July, 2022 and shall automatically renew and continue in full force and effect thereafter from year to year for additional twelve month period on the same terms and conditions unless either party delivers written notice to the other party of its intent to terminate this contract at least sixty (60) days prior to each renewal date of this contract. The notice to terminate can be given for any reason whatsoever. Upon termination, the Firm shall have an additional six (6) months to reduce to payment or judgment all tax litigation and bankruptcy claims filed prior to receipt of the notice of termination. During this six (6) month period following the notice of termination, the Firm agrees to otherwise comply with the terms of this Contract. Taxing Authority agrees to compensate the Firm for any such accounts collected during the six (6) month period in accordance with the terms of Section I(D) above.

If, at any time during the initial term of this Contract or any extension thereof, Taxing Authority determines that the Firm's performance under the Contract is unsatisfactory, the Taxing Authority shall notify the Firm in writing of this determination and the particular deficiencies in performance. The Firm shall have sixty (60) days from the date of this notice to cure such deficiencies. If, at the conclusion of that sixty (60) day cure period, Taxing Authority remains unsatisfied with the Firm's performance, Taxing Authority may terminate this Contract effective upon the expiration of thirty (30) days following the date of written notice to the Firm of such termination.

## **VII.**

Every provision of this Contract is intended to be severable. If any term or provision hereof is hereafter deemed by a court to be illegal, invalid, void or unenforceable, for any reason or to any extent whatsoever, such illegality, invalidity, voidness or unenforceability shall not affect the validity of the remainder of this Contract, it being intended that such remaining provisions shall be construed in a manner most closely approximating the intention of the Parties with respect to the illegal, invalid, void or unenforceable provision or part thereof. This Contract represents the entire agreement between the Parties with respect to the subject matter hereof, and no changes, amendments, or alterations shall be effective unless in writing and signed by both Parties.

The Firm verifies that it is in compliance with and will comply with all provisions of Texas Government Code Chapters 2252, Subchapter F, 2254, 2271, and 2274 during the term of this Contract. In support of this Contract, the City of Mansfield has also adopted written findings pursuant to Section 2254.1036 of the Government Code.

For the purposes of sending any notices under the terms of this Contract, all notices shall be in writing and shall be sent or delivered to the following addresses by certified mail, return receipt requested; by personal delivery; or by messenger or a nationally recognized overnight courier service. The effective date of any notice shall be (i) if by certified mail, the date upon which the return receipt is signed, delivery is refused, or the notice is designated as undeliverable, or (ii) if by other methods, the date of delivery of the notice.

City of Mansfield  
ATTN: City Manager  
1200 E. Broad Street  
Mansfield, Texas 76063

Perdue, Brandon, Fielder, Collins & Mott L.L.P.  
500 East Border Street, Suite 640  
Arlington, Tx 76010

The substantive laws of the State of Texas (and not its conflicts of law principles) govern all matters arising out of, or relating to, this Agreement and all of the transactions it contemplates, including without limitation its validity, interpretation, construction, performance and enforcement. Mandatory and exclusive venue for any action concerning this Agreement must be in a court of competent jurisdiction in Tarrant County, Texas.

If either Party employs an attorney or attorneys to enforce any of the provisions hereof, or to recover damages for the breach of this Agreement, the non-prevailing Party in any final judgment or award agrees to pay the other Party all reasonable costs, charges and expenses, including reasonable attorneys' fees and costs of court, expended or incurred in connection therewith.

In consideration of the terms and compensation herein stated, the Firm hereby accepts said retention of services and undertakes the performance of this Contract as above written.

WITNESS the signatures of all parties hereto in duplicate originals this the 25<sup>th</sup> day of April, 2022, in the City of Mansfield, Tarrant County, Texas.

**CITY OF MANSFIELD**

By: \_\_\_\_\_  
**Joe Smolinski, City Manager**  
*On Behalf of the City Council for the City of Mansfield*

**PERDUE, BRANDON, FIELDER, COLLINS & MOTT, L.L.P.**

By: \_\_\_\_\_  
**Elena Fernandez, Partner**  
*On Behalf of the Firm*

Written Findings as to the Collections Contract with Perdue, Brandon, Fielder, Collins & Mott, LLP

In an open meeting, the City Council for the City of Mansfield considered all matters listed in Section 2254.1036(a)(1) of the Government Code, as they relate to a contingent fee contract with Perdue Brandon Fielder Collins and Mott, LLP.

The City Council, pursuant to Section 2254.1036(b) of the Government Code, hereby finds the following to be true: 1) there is a substantial need for the legal services specified in said contract; 2) these legal services cannot be adequately performed by the attorneys and supporting personnel of the City of Mansfield; and 3) these legal services cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the matter for which these services will be obtained or because the City of Mansfield does not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees.

Therefore, this City Council hereby approves the contract by and between City of Mansfield and Perdue Brandon Fielder Collins & Mott, LLP, for professional legal services regarding the collection of delinquent ad valorem taxes with services to be paid in accordance with Section 6.30 of the Texas Tax Code.

APPROVED and EXECUTED this the \_\_\_\_ day of \_\_\_\_\_, 2022.

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**Joe Smolinski, City Manager**

*On Behalf of the City Council for the City of Mansfield*