ADDITIONAL COLLECTION PENALTY FOR
DELINQUENT TAX COLLECTIONS

- Seventy-Seventh Legislative Session passed **H.B. 490** on May 15, 2001, allowing the additional collection penalty (attorney fees) for delinquent tax collections to be increased from **15%** to **20%**.

- The additional penalty has been 15% for the **past 24 years**, and is now being increased to **20% as a "cost of living" increase**.

- **Costs** of personnel, postage, telephone, rent and computer support have increased dramatically in the past 24 years. Postage alone, has increased by 147%, with the cost of a stamp increasing from $0.15 in 1980, when legislation was first enacted allowing the collection penalty, to the current rate of $0.37 in 2004.

- **Taxpayers have multiple opportunities** to pay their tax bill without incurring any additional penalty. While our collection program emphasizes full payment, we work with the elderly, hardship cases and taxpayers that require payment arrangements to pay off their debt over time.

- LGB&S will pay for any **software programming costs** that the City incur to allow for this increase.

- If approved by Coppell and Coppell ISD, the City would **amend its delinquent tax contract** with Linebarger Goggan Blair & Sampson, LLP and Nichols, Jackson, Dillard, Hager & Smith, L.L.P. on behalf of both the City and School District. The required May 33.07 Pass-Through Notice will instruct delinquent taxpayers of the adopted change.

- This amendment will have **no financial impact on the City of Coppell or Coppell ISD**, as the additional penalty is paid by the delinquent taxpayer. All costs for delinquent tax collections are borne by the law firm, resulting in a "cost free" collection program for both the City and School District.

- Attached is a list of clients that have adopted the increased collection penalty. **Dallas, Harris, Chambers, Clay, Ellis, Fort Bend, Hidalgo, Hood, Hunt, Kaufman, Montgomery, Nueces, Parker, Tom Green, Wilson and Wharton Counties, as well as hundreds of cities and school districts have all done so**.