

## **NOTICE PURSUANT TO GOVERNMENT CODE SEC. 2254.1036**

WHEREAS, the Princeton Independent School District (“District”), wishes to enter into a contingent fee contract with the law firm of Abernathy, Roeder, Boyd & Hullett, P.C. (“Firm”) 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(2) of the Government Code and shall announce the following:

- A. The District is pursuing a contract with the Firm for the collection of delinquent property taxes owed to the District and through this contract the District seeks to increase recovery of its delinquent debts in the most effective and efficient manner. The desired outcome is the efficient collection of delinquent property taxes, penalties, and interest. GOVT. CODE § 2254.1036(1)(A).
- B. The District believes the Firm has the qualifications, competency, and experience necessary to fulfill the contract. GOVT. CODE § 2254.1036(1)(B). The Firm and its predecessor, Gay, McCall, Isaacks, & Roberts, PC, have collected delinquent tax and government receivables for nearly 40 years. The Firm is local, with its principal office located in McKinney, Texas. It employs more than 50 individuals, including 23 attorneys. Its collection team consists of long-term Firm employees, including attorneys, paralegals, law clerks, legal secretaries, collection support personnel and information technology experts.
- C. The nature of any relationship between the District and the Firm is as follows. GOVT. CODE § 2254.1036(1)(C).
  - i. The Firm has represented the District in general school law matters for over thirty (30) years.
- D. The District is unable to perform or efficiently collect its own delinquent taxes. GOVT. CODE § 2254.1036(1)(D). The services involve filing a high volume of cases each month and performing the services in-house would require the taxing units to invest in additional technology, personnel, and other resources to provide adequate support services incidental to the legal services.
- E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes (Texas Tax Code Sections 6.30, 33.07, 33.08, 33.11, and 33.48). This percentage-based fee is assessed only against the debtor and not the District or non-delinquent taxpayers of the District. The collection of delinquent 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 taxes due and represent an additional cost to the District. The Tax Code does not expressly authorize the District to pay for collection services based on an hourly fee.
- F. The District believes this contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless the number of hours the Firm spends 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 District or non-delinquent taxpayers in the District. This contract will allow the Taxing Entities to recover delinquent property taxes, penalties and interest that are essential revenue.

Posted by the Princeton ISD Board the 19th day of May, 2025.