

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** Tax

**AGENDA DATE:** 12/22/2009

**CONTACT PERSON/PHONE:** Juan F. Sandoval, Tax - Ext. 4369 & Terrence Freeburg, Financial Services - Ext. 4313

**DISTRICT(S) AFFECTED:** All Districts & County

**SUBJECT:**

**APPROVE** a resolution / ordinance / lease to do what? **OR AUTHORIZE** the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

That the City Council approve a 5 year extension through December 31, 2015 of the delinquent tax collection contract with the firm of Delgado, Acosta, Spencer, Linebarger, & Perez, L.L.P.

**BACKGROUND / DISCUSSION:**

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The city contracted Delgado, Acosta, Spencer Linebarger, & Perez, L.L.P. in 2005 for the collection of delinquent taxes. The city has a 5 year renewal option.

**PRIOR COUNCIL ACTION:**

Has the Council previously considered this item or a closely related one?

Yes in 2005

**AMOUNT AND SOURCE OF FUNDING:**

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

No cost to the city or any taxing entities as the fees are paid by the assessment of a 15 - 20% collection fee added to delinquent accounts.

**BOARD / COMMISSION ACTION:**

Enter appropriate comments or

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_ **FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:**

(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

PROJECT FORM

DATE: December 2, 2009

PROJECT: Collection of Delinquent Taxes  
DEPARTMENT: Tax  
REPRESENTATIVE DISTRICT(S): All Districts and County

\*\*\*\*\*

RECOMMENDATION: VENDOR: Delgado, Acosta, Spencer, Linebarger & Perez, LLP  
El Paso, TX  
AMOUNT: Collection Fees are added to Delinquent Tax Accounts – No net cost to the City of El Paso

Request that the Purchasing Manager be authorized to exercise the City of El Paso's option to extend the Contract for the Collection of Delinquent Taxes with Delgado, Acosta, Spencer, Linebarger & Perez, LLP for one additional five (5) year period. Extended contract period is through December 31, 2015.

TOTAL RECOMMENDED AWARD: No net cost to the City of El Paso

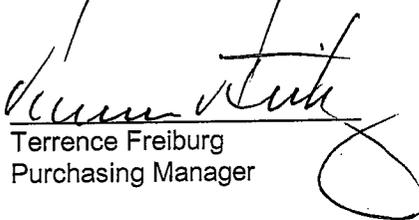
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COUNCIL APPROVED  REJECTED  MUNICIPAL CLERK \_\_\_\_\_

\*\*\*\*\*

APPROVED:

COUNCIL:  
MEETING DATE- December 22, 2009

  
Terrence Freiburg  
Purchasing Manager

## MEMORANDUM

**TO:** MAYOR AND COUNCIL

**FROM:** JUAN F. SANDOVAL

**DATE:** DECEMBER 15, 2009

**SUBJECT:** Back up Memo on 5 Year Extension of Delinquent Tax Collections Contract

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The inter-local agreement that allows the City of El Paso to collect taxes for 31 governments also allows the City of El Paso to contract with a law firm to enforce collection of delinquent taxes. Since 2005, the city has contracted the firm of Delgado, Acosta, Spencer, Linebarger, and Perez, L.L.P. to collect delinquent taxes.

The firm has done an excellent job over the years in collecting delinquent taxes by sending out delinquent notices, filing lawsuits, coordinating the sale of foreclosed properties, securing tax warrants on businesses, and filing bankruptcy claims on behalf of all taxing entities. Their efforts have allowed all 31 taxing jurisdictions to enjoy a high rate of collections.

The firm, as you know, is paid through the assessment of a 15-20% collection fee that is added to delinquent accounts.

I recommend approval of the city's right to exercise a 5 year extension of the agreement through 2015.

cc: Joyce Wilson, City Manager  
William Studer, Deputy City Manager for Financial & Administrative Services  
Charlie McNabb, City Attorney  
Bertha Ontiveros, Asst. City Attorney



**TAX OFFICE  
MEMORANDUM**

**TO:** Mayor & Council

**THRU:** Juan Sandoval, M.P.A., C.T.A, R.T.A.  
City Tax Assessor Collector 

**DATE:** November 16, 2005

**SUBJECT:** Delinquent Tax Collection Contract – Back Up Information

Over the past several months the city has been negotiating an agreement for the collection of delinquent property taxes with the law firm of Delgado, Acosta, Spencer, Linebarger, & Perez, L.L.P. The proposed agreement will be scheduled for your consideration and approval at the City Council meeting of November 29, 2005.

The Tax Advisory Committee, established by the inter-local agreement for the collection of taxes and whose members represent all the taxing entities, recommended unanimously that the city negotiate a new agreement with Delgado, Acosta, Spencer, Linebarger, & Perez, L.L.P. They did so after receiving a performance audit of the delinquent tax collection process conducted by the firm of Lauterbach, Borschow & Co., P.C. This audit indicated the firm was performing the job of collecting delinquent taxes well. I concurred with their analysis.

Below are some of the highlights of the agreement:

- (1) It is a 5 year agreement with the city having the option to extend another five years.
- (2) Firm pays us \$480,000 a year for data and services we provide.
- (3) Fee charged on delinquent accounts goes up to 20% of taxes, interest, and penalties for taxes levied in 2005 and forward. Currently, it is 15%. This fee is passed on to delinquent accounts only and does not affect those timely paid.
- (4) Personal property delinquent accounts will be turned over to the law firm for collection in April rather than in July as allowed by legislation passed in 2005. This should enhance collections in this area.
- (5) Firm will continue to represent the City in the collection of demolition liens.

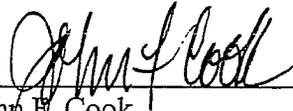
RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

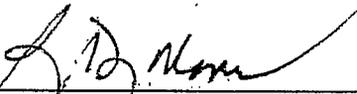
THAT the City Manager of the City of El Paso (the "City") be authorized to sign that certain Contract for the Collection of Delinquent Taxes entered into by and between the City and Delgado, Acosta, Spencer, Linebarger, & Perez, LLP, a Texas limited liability partnership of attorneys, effective for all purposes as of the 1<sup>st</sup> day of January, 2006.

PASSED AND APPROVED this 29<sup>th</sup> day of November, 2005.

CITY OF EL PASO

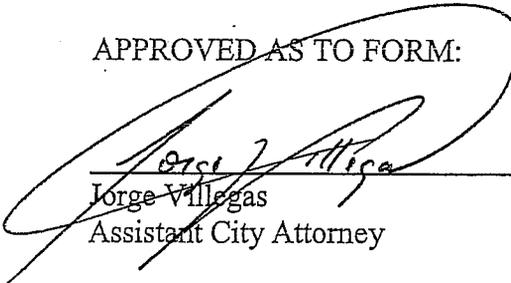
  
\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

  
\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Jorge Villegas  
Assistant City Attorney

  
\_\_\_\_\_  
Juan Sandoval  
Tax Assessor-Collector

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

CONTRACT FOR THE COLLECTION OF  
DELINQUENT PROPERTY TAXES

This Contract for the Collection of Delinquent Property Taxes (this "*Contract*") is entered into by the CITY OF EL PASO, a Texas Municipal Corporation (the "*City*"), and DELGADO ACOSTA SPENCER LINEBARGER & PEREZ, LLP, a Texas partnership of attorneys licensed to practice in the State of Texas (the "*Contractor*") effective for all purposes as of the 1st day of January, 2006 (the "*Effective Date*").

**RECITALS:**

**WHEREAS**, the City and various other taxing entities (the "*Participating Entities*") within El Paso County, Texas have entered into a contract for the consolidation of the assessment and collection of property taxes by the City on behalf of itself and the Participating Entities (the "*Interlocal Tax Agreement*");

**WHEREAS**, pursuant to the Interlocal Tax Agreement and subject to Section 6.30(c) of the Texas Property Tax Code (the "*Code*"), the City reserves the right to contract with attorneys to collect delinquent property taxes;

**WHEREAS**, under the Interlocal Tax Agreement, an advisory committee (the "*Tax Advisory Committee*") was formed to monitor the general performance of the tax collection procedures, including the procedure for the collection of delinquent taxes; and

**WHEREAS**, that Tax Advisory Committee unanimously recommended to the City that it retain the Contractor for the collection of delinquent taxes.

## A G R E E M E N T:

NOW THEREFORE, in consideration of the mutual promises set forth in this Contract, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

### I. TAX COLLECTION

The City agrees and does hereby employ the Contractor, and the Contractor agrees and hereby accepts employment to enforce, by suit or otherwise, the collection of:

- (a) taxes and penalty and interest accrued on those taxes;
- (b) 2004 late rendition penalty fees; and
- (c) other fees as related to the collection of property taxes owed to the City, as provided hereinafter.

Property taxes shall become subject to the terms of this Contract upon the following dates, whichever occurs first:

- (a) on February 1 of the year in which the taxes become delinquent if a previously filed tax suit is then pending against the property subject to the tax;
- (b) on the date any lawsuit is filed with respect to recovery of the tax if the tax is delinquent and is required to be included in the suit pursuant to Section 33.42(a) of the Code;
- (c) on the date of filing any application for tax warrant where recovery of the tax or estimated tax is sought and where the filing of an application for tax warrant by the Contractor is at the request of the City's Tax Assessor-Collector;
- (d) on the date of filing any claim in bankruptcy where recovery of the tax is sought;

- (e) in the case of delinquent tangible personal property, on the 60<sup>th</sup> day after the February 1 delinquency date if the taxing entity to which the personal property tax is owed has taken official action under Section 33.11, of the Code; or
- (f) on July 1 of the year in which the taxes become delinquent.

In those instances where collection of taxes is enforced by suit, the City agrees to furnish to the Contractor the name, identity, and location of necessary parties, together with legal descriptions of property on which the taxes are due. The Contractor shall advance all charges and expenses on behalf of the City which are incurred in procuring such information. Any recovery of said expenses by the City pursuant to Section 33.48 of the Code shall be paid over to the Contractor as and when collected.

## **II. DISCREPANCIES**

The Contractor shall inform the City of any errors, double assessments, or other discrepancies identified during the progress of the work, and shall intervene on behalf of the City and the Participating Entities, in all suits for taxes hereafter filed by the City and/or the Participating Entities regarding property located within the corporate limits of the City and the Participating Entities.

## **III. CITY DATA SERVICES**

It is agreed that the City will provide the Contractor with access to the City's delinquent tax roll, which shall include all properties delinquent to the City and the Participating Entities, and any other data services related to the collection of delinquent property taxes (collectively, the "*Data Services*").

The Contractor shall reimburse the City for the costs of the Data Services in an amount equal to Forty Thousand Dollars (\$40,000) per month, which amount shall be deducted by the City from the Contractor's monthly compensation fee under Section V below, and which amount is deemed by the Contractor and the City to be the reasonable and fair value of the Data Services. In addition, the Contractor shall be responsible for advancing all court costs, publication fees, and all other expenses incurred as a result of the Contractor's collection activities. Any recovery of said expenses by the City under Section 33.48 of the Code shall be paid over to the Contractor as and when collected.

#### **IV. PROGRESS REPORTS**

The Contractor shall prepare and submit on a quarterly basis progress reports to the City Tax Assessor-Collector and shall advise the City Tax Assessor-Collector of all hardship cases where investigation easily reveals taxpayers to be hardship cases unable to pay their delinquent taxes. After reviewing said hardship cases, the City shall inform the Contractor whether the Contractor's collection efforts should be changed or suspended.

#### **V. COMPENSATION**

The City hereby agrees to pay to the Contractor, as compensation for the services required under this Contract, the following amounts to be paid as and when the City Tax Assessor-Collector makes distributions to the Participating Entities:

- (a) Fifteen percent (15%) of all 2004 and prior year taxes, penalties, and interest relating to those taxes, that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.

- (b) Twenty percent (20%) of all City uncollected taxes relating to the years 2005 and subsequent years thereafter, and, penalties and interest relating to those taxes, that are collected and paid to the City Tax Assessor-Collector during the term of this Contract.
- (c) Twenty percent (20%) of all Participating Entities uncollected taxes relating to the years 2005 and subsequent years thereafter, and penalties and interest relating to those taxes that are collected and paid to the City Tax Assessor-Collector during the term of this Contract; provided that the governing bodies of the Participating Entities pass and adopt, pursuant to Sections 33.07 and 33.08 of the Code, a twenty percent (20%) additional penalty (the "*Additional Penalty*") for the years 2005 and thereafter. If a Participating Entity fails to pass and adopt the Additional Penalty, then the Contractor's compensation as to that Participating Entity shall be limited to fifteen percent (15%) of all taxes, penalties and interest collected until said Participating Entity passes and adopts the Additional Penalty.

## VI.

### DEMOLITION LIENS

The Contractor will also enforce, by suit or otherwise, the collection of all demolition liens and penalty and interest related thereto, owing to the City. Payment of demolition liens and penalty and interest related thereto owing to the City may be made in full or pursuant to a payment schedule to be determined by the Contractor.

In performance of the Contractor's duties outlined in this section, the Contractor shall perform, at a minimum, those services outlined on Addendum I attached hereto and incorporated herein for all purposes. The City agrees to pay to the Contractor compensation for services required in this section, twenty-five percent (25%) of the amount of all demolition liens, penalty

and interest for the years covered by this Contract actually collected and paid to the City during the term of this Contract as and when collected. The City shall pay over said funds monthly by the method most convenient to the City. The collection services provided for in this Contract do not include services for the collection of civil penalties, if any, imposed by the City Council or a court of competent jurisdiction.

## **VII. OTHER SERVICES**

The Contractor will format and create Code Sections 33.04, 33.07, 33.08 and 33.11 delinquent notices in a form and style acceptable to the Tax Collector-Assessor and that conform to all the requirements of the Texas Property Tax Code and cause to be delivered a "print image tape" to the site where the actual printing of delinquent notices will occur. Sample delinquent notices must be submitted to the Tax-Assessor-Collector for final review and approval before mailing occurs. The Contractor will deliver delinquent notices to the postal service for mailing and the City will pay postage for the mailing of delinquent notices.

## **VIII. TERM**

The initial term of this Contract shall begin as of January 1, 2006 and end as of December 31, 2010 (the "*Initial Term*") unless otherwise terminated in accordance with and pursuant to *Section IX* below. At the City's option, the Contract may be extended for a second five (5) year term beginning January 1, 2011 and ending on December 31, 2015.

## **IX. TERMINATION**

Either party may terminate this Contract by giving the other party thirty (30) days advance written notice of termination. In addition, during the term of this Contract, the City shall have the right to immediately terminate this Contract following any finding by the City that

the Contractor's performance of its obligations under this Contract has been unsatisfactory in material respects; provided that the City grants the Contractor thirty (30) days from the date of written notice of such violation to cure the violation. At the end of said thirty-day (30) period, the City shall consider the reports of remedial activity undertaken by the Contractor to determine whether the Contractor has remedied the unsatisfactory performance. If the Contractor has not remedied the unsatisfactory performance to the City's satisfaction, the City may terminate this Contract immediately.

In the case of termination of this Contract, the Contractor shall be entitled to receive and retain all compensation owed to it at the date of termination. In addition, the Contractor shall have an additional six (6) months from the date of termination to reduce to judgment all suits filed prior to termination (and receive the compensation related to such judgments), and the Contractor shall handle to conclusion all suits in which trial court judgments are obtained during the period of this Contract and which are appealed by any party (and receive the compensation related to such judgments), unless otherwise agreed to in writing by the parties hereto.

Upon notice of termination, the Contractor shall promptly export all data related to the City and publish such data in a manner easily processed by knowledgeable data processing professionals.

## **X. INDEMNIFICATION AND LIABILITY INSURANCE**

THE CONTRACTOR SHALL INDEMNIFY AND HOLD THE CITY HARMLESS FROM ANY CLAIMS, LIABILITY, DAMAGES, SUITS, CAUSES OF ACTION, AND JUDGMENTS ARISING OUT OF OR CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE, MALPRACTICE OR WILLFUL MISCONDUCT OF THE CONTRACTOR, ANY ATTORNEY ASSOCIATED WITH THE CONTRACTOR IN THE RENDERING OF

LEGAL SERVICES, OR ANY AUTHORIZED REPRESENTATIVE OF THE CONTRACTOR WHO IS ACTING PURSUANT TO THIS CONTRACT.

The Contractor shall carry professional liability insurance with minimum limits of One Million Dollars (\$1,000,000) per occurrence, and shall not permit such insurance to be canceled or lapse during the term of this Contract. Upon request, the Contractor shall provide an insurance certificate or other proof of insurance to the City.

#### **XI. SEVERABILITY**

If any or part of this Contract is held to be illegal, such part shall be deemed severable and the remaining provisions of this Contract shall continue in full force and effect.

#### **XII. AUTHORITY/FACSIMILE SIGNATURES/COUNTERPARTS**

Each person executing this Contract represents that (s)he is authorized to sign this Contract on behalf of the party represented. Facsimile copies of signatures are valid for purposes of evidencing this Contract. This Contract may be executed in multiple counterparts.

#### **XIII. ASSIGNMENT**

This Contract shall not be assignable without the express consent of the governing body of the City. If said consent is given, the person or corporation to whom this Contract is assigned (the "*Assignee*") shall execute and deliver to the City an agreement in writing to be bound by all of the Contractor's obligations, liabilities and undertakings under this Contract. The Assignee shall thereupon be deemed to be substituted for the Contractor, and the Contractor shall stand released from all obligations under this Contract except such as have already accrued.

#### **XIV.**

## LAW GOVERNING CONTRACT

For purposes of determining the place of this Contract and the law governing the same, it is agreed that this Contract is entered into in the City and County of El Paso, State of Texas, and shall be governed by the laws of the State of Texas. Venue shall be in the courts of El Paso County, Texas.

### XV. NOTICE

Any notices required under this Contract shall be sufficient if sent by Certified Mail, Return Receipt Requested, postage prepaid, to the City or the Contractor at the following addresses:

CITY: City of El Paso  
City Manager's Office  
Attn: City Manager  
#2 Civic Center Plaza  
El Paso, Texas 79901

CONTRACTOR: Carmen I. Perez  
Attorney at Law  
Delgado Acosta Spencer Linebarger & Perez, LLP  
215 North Stanton, 2<sup>nd</sup> Floor  
El Paso, Texas 79901

### XVI.

#### TERMS OF ENGAGEMENT

This Contract is subject to Terms of Engagement which are attached hereto and incorporated herein as Addendum II as if included herein in their entirety and along with such addendum, constitutes the entire agreement between the parties and any prior understandings, or written or oral agreements between them are merged into this Contract.

*(Signature page to follow)*

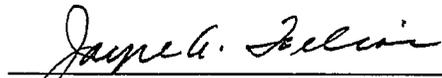
STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

CONTRACT FOR THE COLLECTION OF  
DELINQUENT PROPERTY TAXES

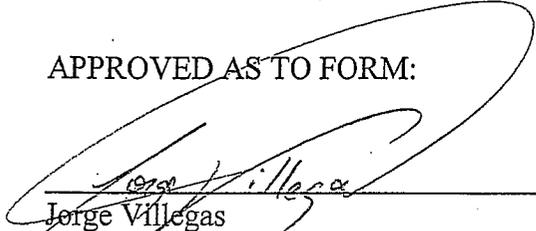
(Signature Page)

IN WITNESS WHEREOF, the parties hereto have executed and entered into the Agreement at El Paso, Texas effective as of the date first above written.

CITY OF EL PASO

  
\_\_\_\_\_  
Joyce A. Wilson  
City Manager

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jorge Villegas  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Juan Sandoval  
Tax Assessor/Collector

CONTRACTOR:  
DELGADO ACOSTA SPENCER  
LINEBARGER & PEREZ, LLP

  
\_\_\_\_\_  
Carmen I. Perez, Capital Partner

**ADDENDUM I**  
**CITY OF EL PASO**  
**OUTSIDE COUNSEL FOR DELINQUENT TAX COLLECTION**  
**DEMOLITION LIENS**

SERVICES

Contractor will:

1. Request on a monthly basis from the City's Comptroller's Office copies of all outstanding demolition liens that have been filed of record with the El Paso County Clerk's Office and which remain unpaid at least sixty (60) days from the date the City Comptroller's Office mailed an invoice to the property owner.
2. Maintain a database of demolition liens and update the database after receiving the monthly demolition lien file from the City Comptroller's Office.
3. Contact delinquent accounts by mail and attempt to induce voluntary payment.
4. Conduct searches for unknown or absentee owners.
5. Enforce by suit, delinquent tax suit, or otherwise the collection of delinquent assessment levied in connection with demolition liens with interest when applicable.
6. Obtain the City's approval on all settlement agreements of any claim, suit or proceeding involving the collection of demolition liens.
7. Represent the City in all bankruptcy proceedings. The Contractor will file claims, monitor the bankruptcy process, and attend hearings to ensure the City's interests are protected with respect to assessments of demolition liens.
8. Obtain prior approval of the City Attorney to sell property at public auction if collection of demolition lien was not part of a delinquent tax suit.
9. Receive and forward all full and partial payments to the City Comptroller, with a cover sheet showing the breakdown of the base amount, penalty and attorney fees paid.

**ADDENDUM II**  
**CITY OF EL PASO CONTRACTOR**  
**FOR DELINQUENT TAX COLLECTION**  
**TERMS OF ENGAGEMENT**

**I. Representation**

The Contractor will coordinate all aspects of representation with the City Attorney's Office. Any questions regarding policy decisions including settlement actions will be reviewed with this office prior to presentation to the El Paso City Council for formal action. The Tax Assessor/Collector will provide the Contractor with necessary factual information, but no other contact with City Officials regarding the representation shall occur without prior notice to the City Attorney or his designee.

**II. Audit Expenses**

Should the Contractor be asked, at any time, to provide information to the City or the City's representatives, concerning representation in this matter, including, but not limited to City auditors (be they City employees or professionals hired by the City to audit the City's records) or the City finance department; such information will be provided at no additional cost to the City, unless the City Attorney or his representative agrees in writing, in advance, to additional charges.

**III. Consultant and Experts**

If it becomes necessary to retain a consultant or expert witness in this matter approval must be obtained from the City Attorney in advance and in writing. Fees for consultants and expert witnesses will not be invoiced separately unless the consultant or expert was hired directly by the City or another taxing entity.

**IV. Right to Audit**

The City shall have the right to inspect and audit all books, records and documents of your law firm pertaining to this engagement at any reasonable time, at City expense, and to the extent necessary to verify the accuracy of any statement, charge or computation.

**V. Conflict of Interest**

The Contractor may be asked to represent various clients whose interests may be adverse to those of the City or other entities for which the City collects taxes. By signing this Agreement, the undersigned affirms that, at present, no such conflict exists. Furthermore, during the course of this representation, the Contractor shall refrain from representing clients whose interests may conflict with those of the City or any other taxing entity for which the City collects taxes. Should such a conflict arise, the Contractor will contact the City Attorney immediately to discuss the situation.

**VI. Ethics**

In providing legal services to the City, the law firm and each attorney providing services to the City shall fully comply with the Texas Disciplinary Rules of Professional Conduct. The law firm shall promptly notify the City if any disciplinary action or malpractice action is instituted against the law firm or an attorney providing services to the City.

## **VII. Assignment**

The Contractor may not assign this Agreement in whole or in part or subcontract any legal services without the prior written consent of the City Attorney. The Contractor will promptly notify the City Attorney of any change in the identity or status of attorneys representing the City in this matter.

## **VIII. Applicable Law**

This Agreement and all disputes concerning this Agreement shall be governed by the laws of the State of Texas. Venue of any civil action between the parties regarding this Agreement shall lie exclusively in El Paso County, Texas. All obligations of the parties shall be deemed performable in El Paso County, Texas.

## **IX. Monthly Report to Client Required**

The Contractor shall submit monthly reports to the Tax Assessor Collector with copy to the City Attorney outlining:

1. Lawsuit activity including number of lawsuits filed, judgments obtained, tax suits dismissed with an explanation for the dismissal;
2. Tax Sale activity including properties scheduled for sale, properties sold, properties struck off;
3. Bankruptcy activity including bankruptcy claims filed, bankruptcy plans approved, bankruptcy cases closed, lawsuits filed on accounts with delinquent post-petition taxes;
4. Delinquent notices sent and the number of parcels affected;
5. Major impact report on any lawsuit involving more than \$50,000 in delinquent taxes; and
6. List of accounts with executed tax warrants and amount of delinquent taxes.

The reports will be kept confidential to the extent allowed by law.

# RESOLUTION

## RECITALS:

WHEREAS, pursuant to Section 6.30 of the Texas Tax Code (the "Code"), the City of El Paso (the "City") has entered into a contract with the law firm of Delgado Acosta Spencer Linebarger & Perez, LLP, a Texas limited liability partnership, for the collection of delinquent property taxes (the "Collections Contract"), effective November 1, 2005.

WHEREAS, pursuant to Sections 33.07, 33.08, and 33.11 of the Code, a taxing unit may provide that delinquent taxes incur an additional penalty to defray costs of collection if the taxing unit has contracted with an attorney pursuant to Section 6.30 of the Code; provided that such additional penalty does not exceed the amount of the compensation specified in the contract with the attorney to be paid in connection with the collection of delinquent taxes; provided further that in the case of Section 33.11 of the Code, the taxes on the tangible personal property become subject to the attorney's contract before July 1 of the year in which the taxes become delinquent, and the taxing entity to which the personal property tax is owed has taken official action under Section 33.11 of the Code; and

WHEREAS, pursuant to Sections 33.07, 33.08, and 33.11 of the Code, the City wishes to defray its costs of collection that it incurs under the Collections Contract by providing that delinquent taxes incur an additional penalty.

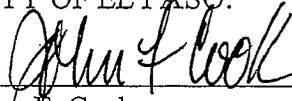
**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

1. That the Recitals set forth hereinabove are true and correct.
2. That pursuant to Section 33.07 of the Code, an additional penalty on delinquent taxes for tax years 2005 and subsequent years thereafter is hereby authorized and imposed in the amount of twenty percent (20%) of the delinquent tax, penalty and interest if that tax becomes delinquent on or after February 1 of a year but not later than May 1 of that year and that remains delinquent on July 1 of the year in which that tax becomes delinquent.
3. That pursuant to Section 33.08 of the Code, an additional penalty on delinquent taxes for tax years 2005 and subsequent years thereafter is hereby authorized and imposed in the amount of twenty percent (20%) of the delinquent tax, penalty and interest if that tax becomes delinquent on or after June 1 under Section 26.07(f), 26.15(e), 31.03, 31.031, 31.032, or 31.04 of the Code.
4. That pursuant to Section 33.11 of the Code, an additional penalty on delinquent taxes imposed on tangible personal property for tax years 2005 and subsequent years thereafter is hereby approved and imposed in the amount of twenty percent (20%) of the delinquent tax, penalty, and interest, if that tax becomes delinquent

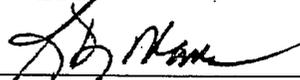
on or after February 1 of a year, the tax remains delinquent on or after the 60<sup>th</sup> day after the tax becomes delinquent, and the additional penalty is incurred before July 1 of the year in which said taxes become delinquent.

PASSED AND APPROVED this 29<sup>th</sup> day of November 2005.

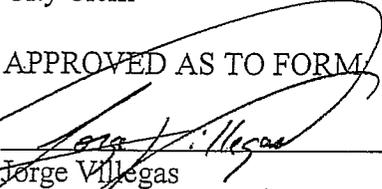
CITY OF EL PASO:

  
\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

  
\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jorge Villegas  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Juan Sandoval  
Tax Assessor-Collector

# El Paso and DASLP...

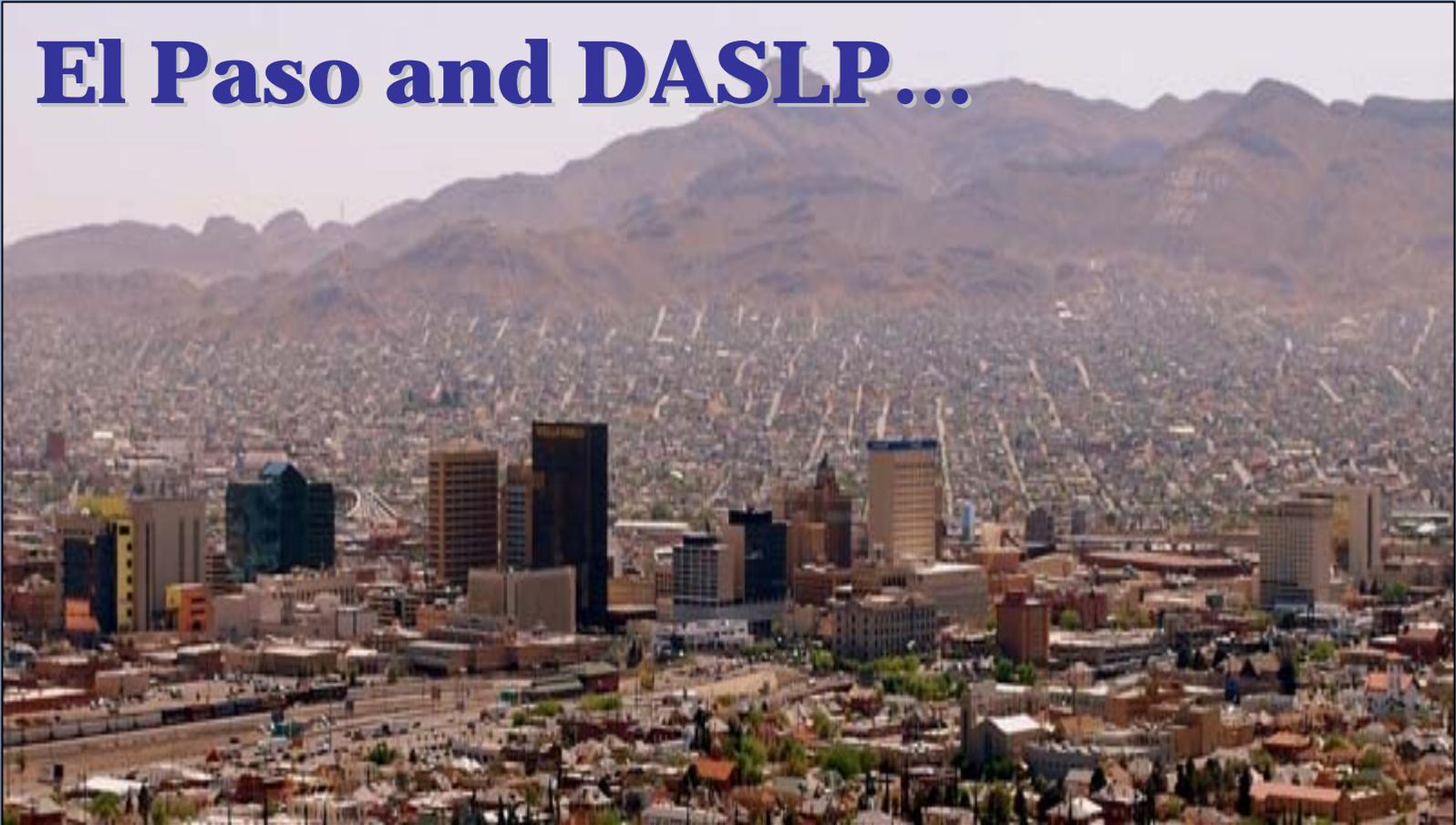


Photo courtesy of LC Rogers

*... A partnership that works*

Presentation to El Paso City Council  
Dec. 22, 2009

Delgado Acosta Spencer  
Linebarger & Perez, LLP

ATTORNEYS AT LAW



Delgado Acosta Spencer  
Linebarger & Perez, LLP

ATTORNEYS AT LAW

# Your El Paso Team



*DASLP Partners Joe Spencer, Alex Acosta,  
Carmen Perez, and Hector Delgado*

The law firm of Delgado Acosta Spencer Linebarger & Perez, LLP (DASLP) is a joint venture partnership that was formed in 1999. Each partner offers El Paso a strong local presence and long history of serving clients in the region.

# Linebarger Partner



- Linebarger Goggan employs more than 1,200 dedicated professionals, including 109 attorneys.
- 30 office locations in Texas and 13 out of state.
- Leader in delinquent tax services, collecting more than \$1 billion for our clients annually.
- Personal service with national resources and advanced technologies.

# Customized Mail Program

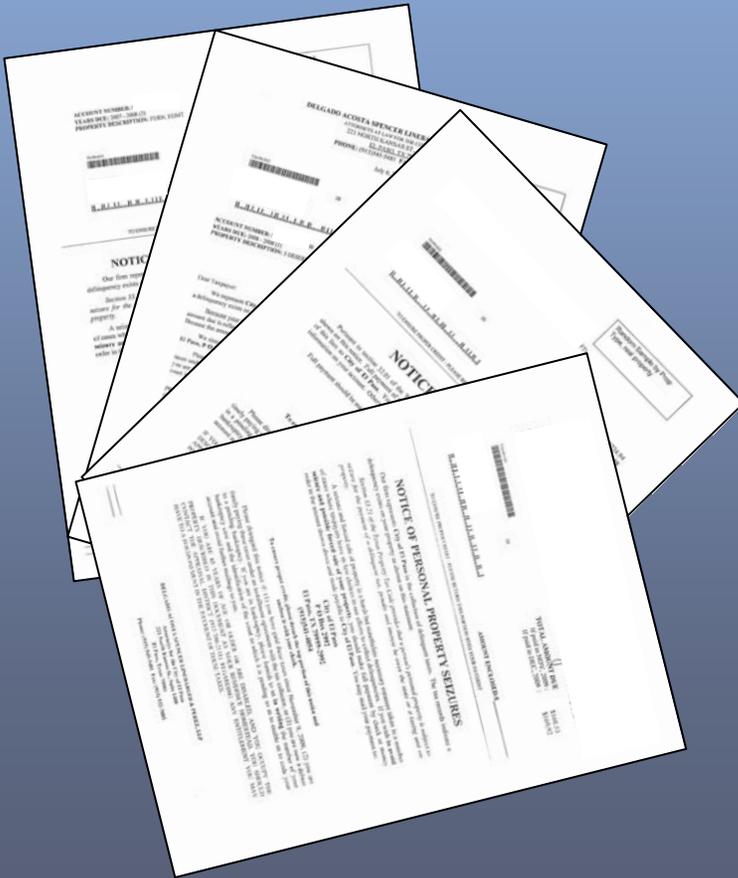
Between 2004 and 2009 we sent:

More than **360,000 letters** to  
delinquent taxpayers ....

For property taxes totaling more  
than **\$540 million.**

***Our letters result in:***

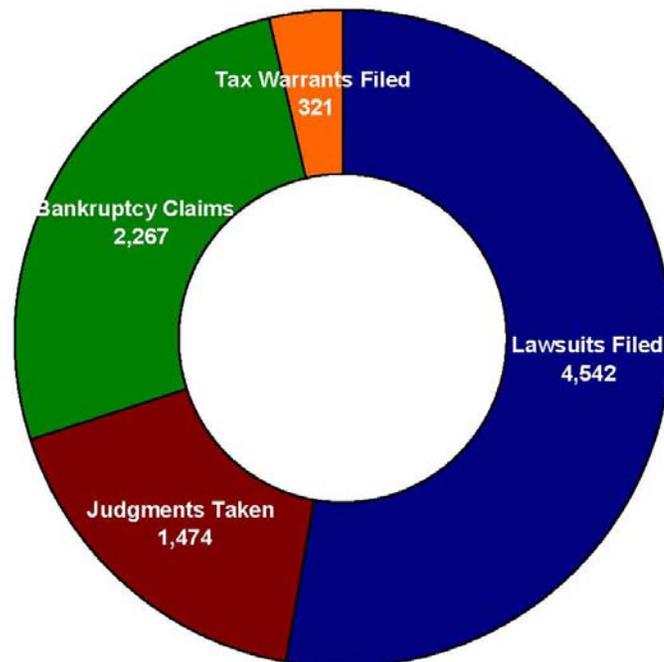
- Payments
- Personal contact with delinquent taxpayers
- Payment arrangements, or
- Other resolution (tax sales, bankruptcy, etc.)



# Litigation Activity

## July 2004-June 2009

In some instances, our firm is forced to take stronger action to collect delinquent taxes for our clients.



July-June	Lawsuits		Judgments			Bankruptcies			Tax Warrants
	Filed	Number of Accts	Taken	Released	Abstract	Claims	Approved	Closed	Filed
2004-2005	698	794	265	106	132	902	355	925	64
2005-2006	680	803	291	88	154	620	504	948	41
2006-2007	1031	1194	356	138	186	522	297	617	55
2007-2008	1060	1454	275	158	145	679	431	612	64
2008-2009	1073	1810	287	305	134	639	680	757	97
<b>Totals:</b>	<b>4542</b>	<b>6055</b>	<b>1474</b>	<b>795</b>	<b>751</b>	<b>3262</b>	<b>2267</b>	<b>3859</b>	<b>321</b>

# Bankruptcy Highlights

From 2004 to present, Delgado Acosta has collected millions in bankruptcy dollars for our clients.



Photo courtesy of Jonathunder

**\$317,515** from  
Worldcom, Inc.

**\$472,617** from  
E. Spire  
Comm., Inc.

**\$137,639** from  
Just for Feet, Inc.

**\$100,000** from  
West Texas  
Metals, Inc.

**\$125,232** from  
Collins and  
Aikman Corp.

**\$468,068** from  
ASARCO, LLC

**\$785,144** from  
Flying J

**\$119,802** from  
Circuit City  
Stores, Inc.

**\$378,734** from  
Pan Am General  
Hospital, LLC

**\$108,000** from  
Supermarket  
Enterprises, LP

# Tax Sales

## Tax Sales for July 2004-June 2009

TAX SALES	TOTAL NO.	TOTAL NO. SOLD	TOTAL AMOUNT SOLD	TOTAL NO. PAID PRIOR	TOTAL AMOUNT PAID PRIOR	TOTAL NO. REMOVED	TOTAL AMOUNT REMOVED	TOTAL NO. STRUCK OFF	TOTAL AMOUNT STRUCK OFF	TOTAL
JULY 2004 - JUNE 2005	183	88	\$1,575,266	16	\$335,987	21	\$430,814	40	\$1,052,069	\$3,394,136
JULY 2005 - JUNE 2006	106	47	\$1,762,036	17	\$253,181	17	\$1,033,686	21	\$680,056	\$3,728,954
JULY 2006 - JUNE 2007	94	57	\$735,223	18	\$762,487	9	\$133,600	10	\$224,781	\$1,856,091
JULY 2007 - JUNE 2008	194	109	\$1,506,054	40	\$377,781	17	\$532,283	28	\$1,048,173	\$3,464,292
JULY 2008 - JUNE 2009	155	86	\$1,893,034	21	\$135,906	25	\$347,761	23	\$699,338	\$3,076,040
<b>TOTAL</b>	<b>732</b>	<b>387</b>	<b>\$7,471,613</b>	<b>112</b>	<b>\$1,865,342</b>	<b>89</b>	<b>\$2,478,144</b>	<b>122</b>	<b>\$3,704,417</b>	<b>\$15,519,513</b>

- 53 percent sold
- 15.3 percent paid prior to sale
- 68.2 total resolved

# Tax Re-sales

Tax Re-sales for July 2004-June 2009

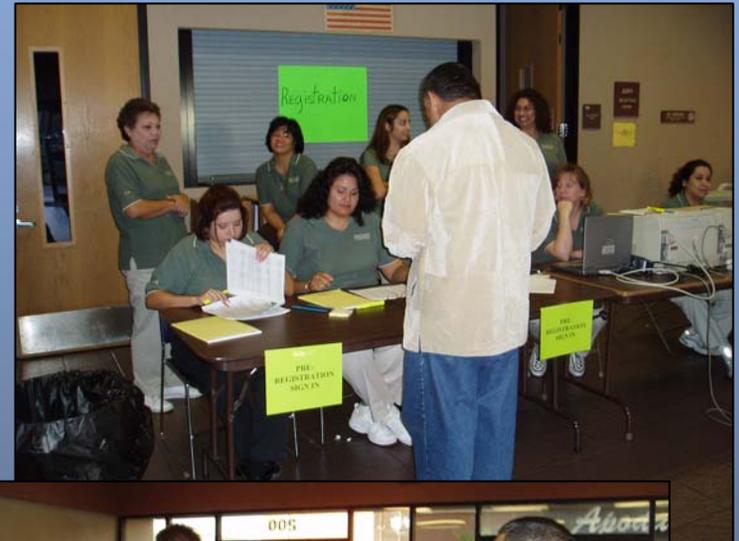
<b>TAX RE-SALES</b>	<b>TOTAL NO. SOLD</b>	<b>TOTAL AMOUNT SOLD</b>
<b>JULY 2004 - JUNE 2005</b>	<b>40</b>	<b>\$581,102</b>
<b>JULY 2005 - JUNE 2006</b>	<b>20</b>	<b>\$609,697</b>
<b>JULY 2006 - JUNE 2007</b>	<b>145</b>	<b>\$1,937,289</b>
<b>JULY 2007 - JUNE 2008</b>	<b>10</b>	<b>\$374,260</b>
<b>JULY 2008 - JUNE 2009</b>	<b>30</b>	<b>\$290,272</b>
<b>TOTAL</b>	<b>245</b>	<b>\$3,792,620</b>

# Tax Resale “Tent Sales”

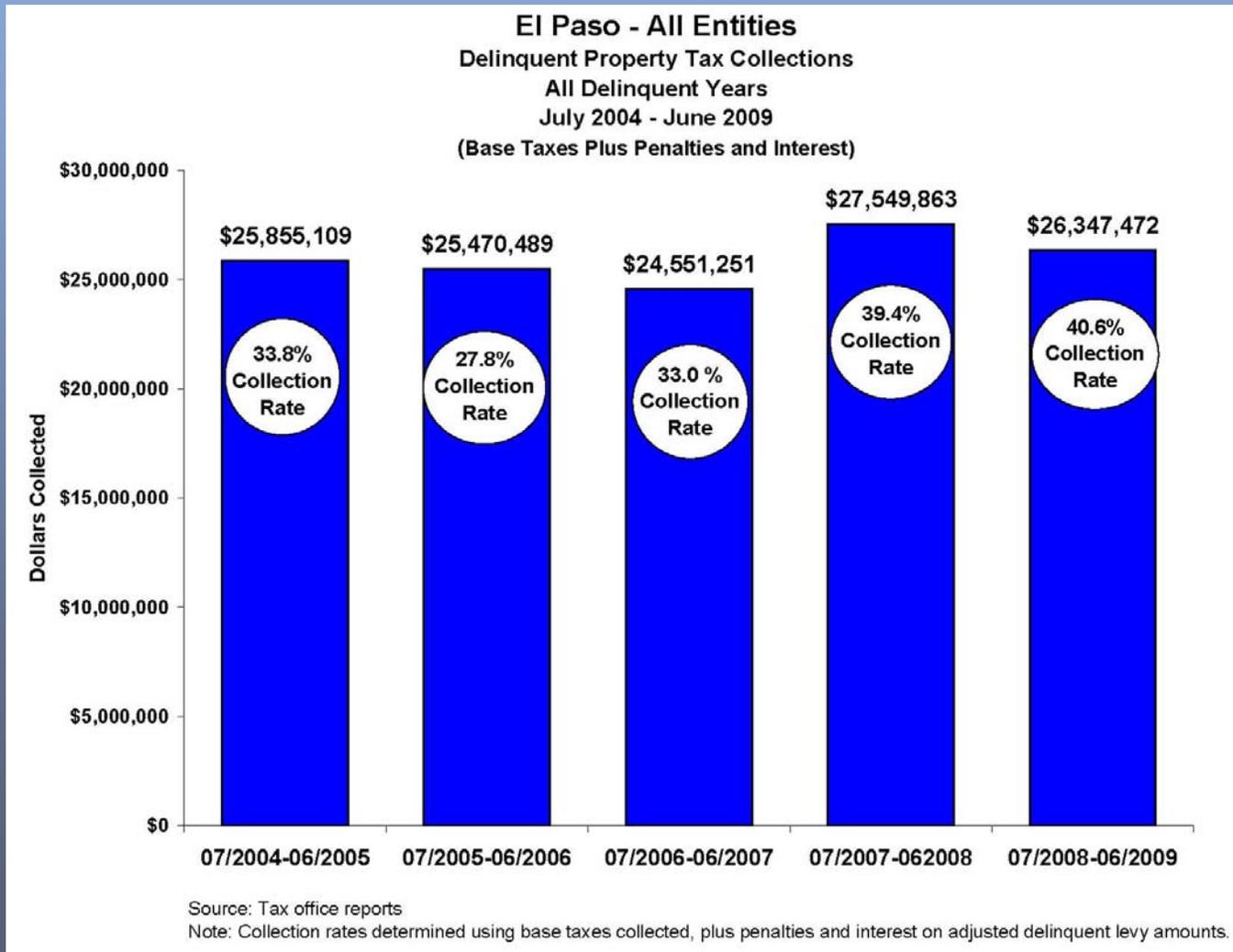
Our Tax Resale program has proven exceptionally effective in keeping property on the tax roll.

During one “Tent Sale” our firm:

- Sold **113 of 117** properties available
- Earned more than **\$1.6 million** to pay off tax debt



# Collection Results All Entities



# Collection Results

## All Entities

