

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

**WHEREAS**, the PAWNEE INDEPENDENT SCHOOL DISTRICT (the “School District”), will consider entering into a contingent fee contract with the law firm of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. (“Firm”) and hereby posts this notice pursuant to Sec. 2254.1036 of the Government Code; and

**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;

**NOW THEREFORE**, the School District shall announce the following:

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

B. The School District believes the Firm has the competency, qualifications, and experience necessary to fulfill this contract. GOVT. CODE § 2254.1036(1)(B). The Firm has collected delinquent government receivables for nearly 50 years. The Firm currently has 13 primary offices and multiple satellite offices throughout Texas, Oklahoma and Florida. It employs more than 400 individuals, including over 50 attorneys. It uses a multi-office, fully integrated team approach allowing the School District access to all its offices and resources. Its collection team consists of long-term Firm employees, including attorneys, call center associates, paralegals, law clerks, legal secretaries, collection support personnel and information technology experts. The Firm utilizes proprietary collection software that can be tailored to meet any special need the School District may have. This proprietary software also automates many aspects of the collection process, such as: account/debtor research, mailings and phone calls, return mail and address updates, payment notification and processing and work-flow.

C. The nature of any relationship between the School District and the Firm is as follows. GOVT. CODE § 2254.1036(1)(C).

The Firm has not represented the School District prior to the execution of the contract to be awarded at this meeting.

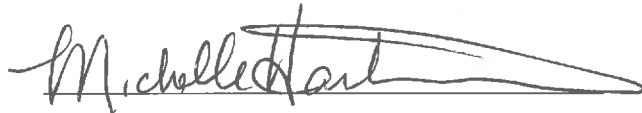
D. The School District is unable to perform the collection of its delinquent ad valorem property taxes. GOVT. CODE § 2254.1036(1)(D). The School District currently does not have adequate support staff, computer software/programming, or experience to internally conduct these collection services and acquiring these will result in substantial expense to the School District.

E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(1)(E). The Texas Property Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent ad valorem property taxes. This percentage-based fee is assessed only against the delinquent taxpayers and not the School District. The collection of

delinquent ad valorem property 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 property taxes due. Moreover, the School District will bear the cost of these hourly fees and not the debtor, because the Texas Property Tax Code does not expressly authorize the School District to pay for collection services based on an hourly fee.

F. The School 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 in litigation , and in 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 School District or taxpayers in the School District.

Executed this the 3<sup>rd</sup> day of July, 2021.

A handwritten signature in black ink, appearing to read "Michelle Hartmann", with a long horizontal flourish extending to the right.

Michelle Hartmann, Superintendent of Schools

On Behalf of PAWNEE ISD

Bee County, Texas