



Presentation to the City of Houston Budget and Fiscal Affairs Committee

Delinquent Tax Collection Contract

July 30, 2024

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Delinquent tax collections - background

Delinquent property taxes are collected by two vendors:



- Joint venture of :



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Delinquent tax collections - background

- ▶ Accounts are divided between the firms based on the overlapping school district.

Perdue Main Accounts	LGBS Main Accounts
Spring Branch (5.0%) Alief (3.7%) Pasadena (2.9%) Humble (2.1%) Fort Bend (1.0%) Clear Creek (0.9%) Galena Park (0.7%)	Houston (76.0%) Aldine (5.4%) Cy Fair (1.8%)



History of reassignments

Year	Reassignments	Notes
2014	Assigned Clear Heek, Humble, Spring Branch to Perdue	First year of dual-vendor approach
2015	No Reassignments	
2016	Assigned Pasadena and Alief to Perdue	
2017	Assigned Fort Bend and Galena Park to Perdue	
2018	No Reassignments	
2019	No Reassignments	Execution of new (current) contract
2020	Assigned Klein and accounts assigned to more than one school district to Perdue	
2021	No Reassignments	
2022	No Reassignments	
2023	No Reassignments	
2024	City Council consideration	



Current contract – hallmark features

- Standardized reassignment eligibility metric (described on next slide)
- Revised reassignment process – firm must be eligible for reassignment pursuant to the metric in the contract. Reassignments are made pursuant to City Attorney recommendation and subject to City Council approval.



Reassignment eligibility

“Levy Paid” on Assigned Accounts during the Agreement Year
Delinquent Levy Balance on Assigned Accounts for all years

"Levy Paid" in numerator is July 1 through January 31 of current year



Historical collections under current contract

- ▶ 2020:
 - ▶ Perdue: 20.5%
 - ▶ Linebarger: 18.4%
- ▶ 2021:
 - ▶ Perdue: 18.9%
 - ▶ Linebarger: 16.42%
- ▶ 2022:
 - ▶ Perdue: 18.4%
 - ▶ Linebarger: 14.9%
- ▶ 2023: disputed
 - ▶ Linebarger reporting -
 - ▶ Perdue: 25.28%
 - ▶ Linebarger: 20.39%
 - ▶ Perdue reporting -
 - ▶ Perdue: 20.2%
 - ▶ Linebarger: 15.8%
- ▶ 2024:
 - ▶ Perdue: 17.2%
 - ▶ Linebarger: 15.6%



QUESTIONS

