

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

WHEREAS, Palo Pinto County, Texas (the "County") has established a PACE (Property Assessed Clean Energy) Program wherein the County agrees to impose contractual assessments on qualified projects being administered by Texas PACE Authority, an independent third party, pursuant to the PACE Act, codified in Chapter 399 of the Local Government Code. The contractual assessments are imposed to secure repayment of financing provided to qualified projects within the County;

WHEREAS, the County will consider entering into a contingent fee contract with the law firm of Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Firm") for the purpose of collecting delinquent PACE assessments 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 County is pursuing a contract with the Firm for the collection of PACE assessments which become delinquent under certain Owner and Lender Contracts entered into pursuant to Chapter 399 of the Local Government Code.
- B. The County believes the Firm has the competency, qualifications, and experience necessary to fulfill this contract. GOVT. CODE § 2254.1036(a)(1)(B). The Firm has collected delinquent government receivables for over 50 years, including the collection of delinquent taxes. The Firm currently has 14 primary offices and multiple satellite offices throughout Texas, Oklahoma, and Florida. It employs more than 400 individuals, including 61 attorneys. It uses a multi-office, fully integrated team approach allowing the County 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 County 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 County and the Firm is as follows. GOVT. CODE § 2254.1036(a)(1)(C).

The Firm has represented the County since 2010 in the collection of delinquent ad valorem taxes. The Firm also represents the County Clerk for fine/fee collections.

- D. The County is unable to collect delinquent PACE assessments. GOVT. CODE § 2254.1036(a)(1)(D). The County 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 County. Furthermore, the County is authorized to contract with an entity to perform the duties of the County relating to the

collection of assessments imposed under the PACE Act. Tex. Loc. GOVT. CODE § 399.015(a).

- E. These collection services cannot be provided for an hourly fee. GOVT. CODE § 2254.1036(a)(1)(E). The assessment lien may be enforced by the County in the same manner that a property tax lien against real property may be enforced by a local government to the extent the enforcement is consistent with Section 50, Article XVI, Texas Constitution. Delinquent installments of the assessments incur interest and penalties in the same manner as delinquent property taxes, and a local government may recover costs and expenses, including attorney's fees, in a suit to collect a delinquent PACE assessment in the same manner as in a suit to collect a delinquent property tax. Tex. Loc. GOVT. CODE §§ 399.014(c-e). The Tax Code allows the assessment of a percentage-based fee to recover the costs of collecting delinquent taxes. This percentage-based fee is assessed only against the debtor and not the County or taxpayers of the County. The County will bear the cost of hourly fees for collection of delinquent PACE assessments and not the debtor, because the Tax Code does not expressly authorize the County to pay for collection services based on an hourly fee.
- F. The County believes this contingent fee contract is in its best interest. GOVT. CODE § 2254.1036(a)(1)(F). Under the contingent fee contract, the Firm will be paid the amount of the percentage-based collection fee, regardless of the number of hours the Firm spends researching, contacting, and mailing to collect the delinquent PACE assessment. Additionally, the percentage-based collection penalty is a pass-through expense to the debtor and not an expense to the County or taxpayers in the County.

Executed this the 27 day of March, 2023.

  
On Behalf of Palo Pinto County, Texas

