



# EDINBURG / MCALLEN POLITICS



## **Linebarger Goggan Blair & Sampson, LLP has recovered almost \$3.3 million in back taxes for City of McAllen in past two years**

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**M**cAllen's city budget, which provides police and fire protection, public health, transportation, and other key responsibilities of local government, has recovered almost \$3.3 million in delinquent property taxes and related penalties and interest since October 2008 to help pay for those essential public services, according to Lilia Ledesma, a local attorney and partner with the law firm of Linebarger Goggan Blair & Sampson, LLP.

Since last fall – between October 2009 and June 2010 – the Austin-based law firm, which has offices in Edinburg and Brownsville, had collected more than \$1.7 million in delinquent property taxes and related interest and penalties for the City of McAllen, she noted during her recent presentation before the McAllen City Commission.

McAllen is one of numerous local governments in the Valley, including South Texas College and the City of Edinburg – and dozens more statewide and nationally – which contracts with Linebarger Goggan Blair & Sampson, LLP to collect on delinquent property taxes.

From its inception more than 30 years ago, Linebarger Goggan Blair & Sampson, LLP has been a major player in public-sector collections, serving more than 1,900 clients from offices in a dozen states, including Texas, said Lucy Canales, a local attorney who, as a general partner in the organization, leads the Valley offices in Edinburg and Brownsville.

"We know that governments at all levels, especially now during a national economic recession, face major challenges when it comes to the collection of their delinquent receivables, such as unpaid property taxes," Ledesma explained. "So we make this process easier and more cost-effective for our clients, and in

doing so, help make sure that we all pay our fair share for the public services that protect and benefit all of us."

In McAllen, property taxes account for about 31 percent of the city's revenue.

According to the Texas Municipal League, a lobbying group for more than 1,000 cities statewide, the local property tax accounts for about 34.8 percent of the budgets of local governments in the Lone Star State.

### **Collecting back taxes fair for all residents**

McAllen Mayor Richard Cortéz said Linebarger Goggan Blair & Sampson, LLP has been an effective advocate for all citizens in his hometown.

"The way we fund the operations of the city is with financial resources, and every year, we have to prioritize how we spend that money," the mayor said. "So when we are able to find an extra million dollars, that goes a long way in funding or expanding services that we otherwise couldn't have provided because of the lack of funds."

According to the McAllen Tax Office, Linebarger Goggan Blair & Sampson, LLP collected \$1,347,401.26 in delinquent property taxes and \$392,281.30 in penalties and interest – a total of \$1,739,682.56 – between October 2009 and June 2010.

Also, the city tax office reports, Linebarger Goggan Blair & Sampson, LLP collected \$1,194,693.80 in delinquent property taxes and \$354,495.70 in related penalties and interest – a total of \$1,549,189.50 – between October 2008 and June 2009.

"We are always very happy to see our delinquent tax attorneys do their job, and here in McAllen, I can

safely say that they have been doing their job," Cortéz added.

### **Proven track record of effectiveness**

Ledesma said the services by her firm on behalf of McAllen and all other clients emphasize on working with individual taxpayers to collect taxes owed in order to avoid legal action.

"Timely mailings to all delinquent taxpayers and property inspection visits are aimed at informing taxpayers of their delinquency and to let them know of all their options to pay," she said. "We have an extensive program that notifies people who have not paid their city taxes, and we make sure to let them know whether they qualify for tax breaks, such as homestead exemptions and property tax freezes."

Linebarger Goggan Blair & Sampson, LLP has a proven track record of effectiveness on behalf of its clients that is based on expertly and ethically utilizing all the resources at their command, she explained.

"By using personal visits, mailings, special notices and demand letters, litigation, tax sales and tax warrants, we provide a complete collection program for the City of McAllen, keeping in mind what we will maximize collections for the city," Ledesma said.

In general, strategies employed by Linebarger Goggan Blair & Sampson, LLP feature:

- The Notification Program, which includes an extensive mailing system from which delinquent notices are sent through the year to residents who owe back taxes;
- Collections, which features a work plan that includes the constant monitoring of collection figures in order to adjust resources and enforce the collections of back taxes, and working closely with the McAllen City Commission and top administrative staff;

- Litigation, in which a decision is made to file suit. A property title search is conducted, with the taxable property is further identified and all interested parties, including all lien holders, are served with notice of the lawsuit;

- Tax Sales Program, which occurs when a delinquent taxpayer makes no final effort to pay the amount that is due. Under those circumstances, Linebarger Goggan Blair & Sampson, LLP inspects all properties targeted for foreclosure and post them for auction by the sheriff. As future judgments are taken, the firm posts additional properties for sale;

- Tax Resale Program, which is designed to market and sell properties that been been struck-off to the taxing entities. In general, properties that went to sheriff sale and were not sold are called struck-off property. The owner of the property is now the taxing unit(s). When the property is bid, or struck-off to the entity, the deed will be made out to the taxing entities. The deed will be filed with the county clerk's office. Linebarger Goggan Blair & Sampson, LLP markets these properties through it own website, through newspaper advertising, and through a mailing list maintained by Linebarger Goggan Blair & Sampson, LLP. There is no charge to the city, to taxpayers, and to the buyers for these marketing expenses; and

- Bankruptcy: Proofs of Claim, in which Linebarger Goggan Blair & Sampson, LLP represents the City of McAllen in all bankruptcies involving delinquent taxpayers. This representation includes filing claims, monitoring the bankruptcy process, attending hearings, and engaging in active litigation in order to protect and maximize the City of McAllen's tax interest.