



City of Weslaco
Delinquent Tax Collection
2010 – 2011 Year End Report

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November 1, 2011

Mr. Miguel D. Wise, Mayor
Mr. John F. Cuellar, Mayor Pro-Tem, Dist. 2
Mr. Robert J. Garza, Commissioner, Dist. 1
Ms. Olga Noriega, Commissioner, Dist. 3
Mr. Gerardo "Jerry" Tafolla, Commissioner, Dist. 4
Mr. Lupe V. Rivera, Commissioner, Dist. 5
Mr. Joe A. Martinez, Commissioner, Dist. 6
City of Weslaco
255 S. Kansas
Weslaco, Texas 78596

**RE: Delinquent Tax Collection for Fiscal Year October 1, 2010 through
September 30, 2011**

Dear Mayor Wise and City Commission:

The Linebarger Goggan Blair & Sampson, LLP Year End Report highlights our delinquent ad valorem tax collection program on behalf of the City of Weslaco. Our collection results, as noted herein, indicate our efforts continue to be successful for the City of Weslaco.

Please know that we truly appreciate the opportunity to represent the City of Weslaco on all delinquent ad valorem tax matters. As always, we will continue to provide the City of Weslaco with quality representation, consistent results, and an ample experienced staff of attorneys, legal assistants and a certified tax assessor collector dedicated to servicing your account. We are available to address any questions you may have or to discuss any concerns that interest you at your convenience.

Sincerely,



Lilia Ledesma
Partner

LINEBARGER GOGGAN BLAIR & SAMPSON APPROACH

The delinquent tax collection program for the City of Weslaco continues to emphasize two basic premises: work with individual taxpayers to collect taxes owed to City of Weslaco and use the tool of litigation as a final option.

- *Demand Mailings*
- *Litigation Statistics*
- *Taxpayer Contact*
- *Personal Visits*
- *Sheriff's Sales*

DEMAND MAILINGS

Our extensive mailing program is designed to advise people who have not paid their City of Weslaco taxes of their delinquency. During the course of the fiscal year, we send delinquent notices, with varying degrees of intensity to the delinquent taxpayer. The intensity of the notice varies on factors such as; time of year, type of property and the particular needs of the jurisdiction.

Eleven (11) Mailings Completed targeting 14,970 accounts representing an average range from \$1.1 Million to \$1.7 Million dollars in delinquent taxes, penalties and interest per mailing.

LITIGATION SUMMARY

Filing a lawsuit to collect delinquent taxes is used as a final resort; after diligent efforts to contact and work with taxpayers are fully exhausted. Once the decision to file suit has been made, a complete property title search is conducted, the taxable property is further identified and all interested parties including all lien holders, are identified and served with notice of the lawsuit.

- Taxpayer Contact*
- *Over 118 Personal Contacts*
 - *Over 360 Phone Calls*
 - *Initiated 142 Payment Agreements*

Litigation Activity	Cases	Base, Penalty and Interest
• Lawsuits Filed	46	\$236,317
• Intervention Filed	15	\$47,865
• Tax Warrants	12	\$20,789
• Lawsuits Disposed	29	\$386,628
• Judgments Taken	20	\$51,228
• Pending Litigation as of Oct. 2011	243	\$915,455

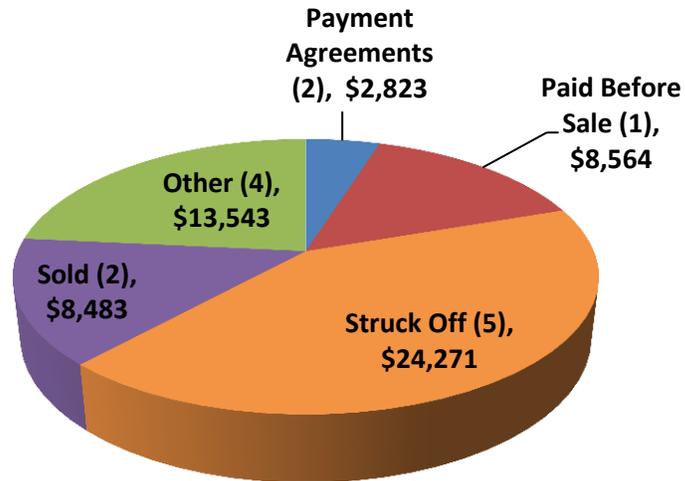
SHERIFF FORECLOSURE PROGRAM

Tax Sale & Resale Program

- **Collected over \$19,870 in base taxes at Sale**
- **Sold 1 Property at Resale**

Tax Sale Activity

Our Office regularly monitors all judgments we take on behalf of City of Weslaco. During this fiscal year, five (5) tax sales were conducted placing fourteen (14) properties for sale. The pie chart below identifies the results for the program for this past fiscal year. The dollar amounts below reflect the base tax amount.



Tax Resale Program

Our resale program for struck-off properties to the taxing entities and then sold at auction is part of our successful collection program conducted on behalf of the City of Weslaco. At our expense, the firm markets these struck-off properties through newspaper advertising, our firm's website, www.lgbs.com; a mailing list maintained by our office and conducts a resale of these properties struck-off throughout the year.

BANKRUPTCY CLAIMS FILED

Bankruptcy Filings

Ch.7	2	\$239
CH. 11	5	\$22,459
Ch. 13	9	\$3,252
Total	16	\$25,950

City of Weslaco is represented in all bankruptcies involving a delinquent taxpayer in your jurisdiction. Representation includes filing claims, monitoring the bankruptcy process, attending hearings, engaging in active litigation and doing everything to protect and maximize the City of Weslaco interest. Our program identifies accounts dismissed and discharged from bankruptcy that are now ready for collections or law suit.

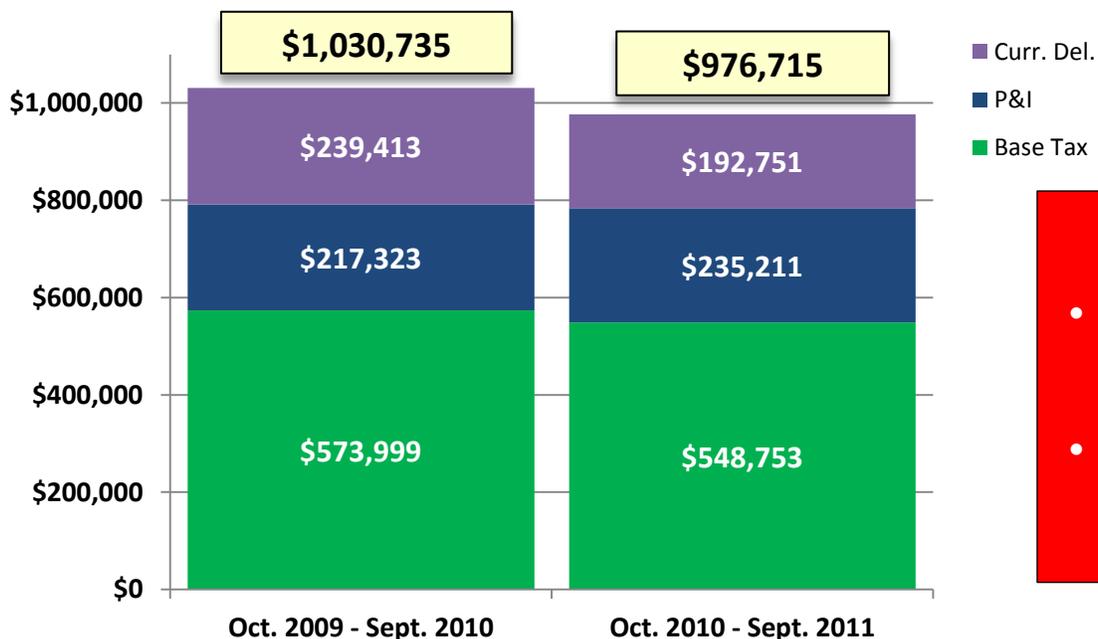
Chapter Seven: Complete liquidation of a debtor's non-exempt assets.

Chapter Eleven: This allows a Corporation to devise a plan to reorganize its debts and obligations to allow extended repayment of its creditors.

Chapter Twelve: Same as Chapter 13 but specifically designed for agricultural businesses.

Chapter Thirteen: Entitled "Adjustment of Debts of an Individual with Regular Income," permits a person to retain that amount of earned income necessary for living expenses while paying the court the remainder to be distributed among the individual's creditors to pay off debts on an installment basis.

COLLECTION HIGHLIGHTS



Collections

- **Over \$2 Million Collected in two years**
- **27.6% Two Year Collection Average**

FUTURE OVERVIEW

Review of Pending Judgments and the Filing of Additional Lawsuits

During the next quarter we will continue to work pending lawsuits for full payment or payment agreements. We will also continue researching the delinquent tax roll for possible new lawsuits; both real and personal property accounts. We have targeted thirty (30) real and personal property accounts for possible lawsuits to be filed during the next quarter.

Continued Monitoring of Bankruptcy Accounts

As a continuation of our standard operating practice, we will actively monitor and verify accounts in bankruptcy for the payment of taxes, penalties, and interest owed to the School District.

Mailing Program

For this next quarter, we have scheduled mailings on behalf of the City of Weslaco for the following months: September 2011 (Completed), October 2011 (Completed) and November 2011.

Scheduling of Property Sales

As properties are taken to judgment, they will be reviewed and checked for payment. Those judgments with no taxpayer response will be further reviewed and scheduled for possible tax sale. The next tax sale is scheduled for February 2012 and it involves twenty-one (21) tracts of property totaling \$68,869.69 owed to the City of Weslaco.

Execution of the work plan established for the City of Weslaco will include the constant monitoring of collection figures in order to adjust resources and enforce the collection of delinquent taxes. Our collection efforts will also include prosecuting pending suits to conclusion, mailing monthly letters, and filing new suits in order to maximize the collection of taxes. We will continue to work closely with you and your administrative staff to provide assistance and advice on all property tax matters, including changes in the law brought about by amendments to the Texas Property Tax Code.