SQUEEZING BLOOD OUT OF TURNIPS: FINES, FEES, COLLECTIONS & OTHER REVENUE SOURCES
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APHORISM: A concise statement of a principle; a terse formulation of a truth or sentiment

EXAMPLES:
- “An apple a day keeps the doctor away.”
- “Whiskey is for drinking and water is for fighting.”
- “You can’t teach an old dog new tricks.”
- “The leopard can’t change its spots.”
- “You can’t make a silk purse out of a sow’s ear.”

"YOU CAN’T SQUEEZE BLOOD OUT OF A TURNIP"

MEANING: You can only get from people (or things) what they are able to give.

ORIGIN:
- John Lydgate, Minor Poems (circa 1435) ("... hard to get honey from a marble stone.")
- Charles Dickens, David Copperfield (1850) ("Blood cannot be obtained from a stone.")
- Charles Dickens, Our Mutual Friend (1865) ("You can’t get blood from a turnip.")
Today, a local government in Texas must “think outside the box” due to:

- Increased costs of providing services
- Legislative “caps” + “unfunded mandates”
- Public demand for better service

KEY FISCAL QUESTIONS:

- Where are the revenues – can they be increased?
- Where are the costs – can they be reduced?

CAN WE SQUEEZE BLOOD OUT OF A TURNIP?

REVENUE: TAXES

Real & Personal Property Tax, Tex. Tax Code § 11.01 et seq
Sales Tax:
- Counties, Property Tax Relief, Tex. Tax Code § 224.000 et seq
- Cities, General Revenue, Tex. Tax Code § 231.001
  - Dedicated Purposes:
    - Economic Development, Tex. Rev. Civ. Stat. Art. 5190.04(a) and (b)
    - Property Tax Relief, Tex. Tax Code § 232.007
    - Storm Mitigation, Tex. Tax Code § 227.004
    - Municipal Development Districts, Tex. Tax Code § 377.101
REVENUE: SERVICE AND USER FEES BY MUNICIPALITIES

Examples:
- Public Owned Utilities (Electricity, Water, Wastewater)
- Franchise Fees (Telecommunications, Gas, Cable, Private-Owned Utilities)
- Recreational and Cultural Facilities
- Convention Facilities
- Emergency Medical Services
- Drainage Fees, TEX. LOC. GOV'T CODE § 402.043 et seq.
- Public Information Act, TEX. LOC. GOV'T CODE § 552.261 et seq.

REVENUE: ECONOMIC DEVELOPMENT BY MUNICIPALITIES

Examples:
- Impact Fees, TEX. LOC. GOV'T CODE § 395.001 et seq.
- Zoning Applications
- Plan Assessment and Review
- Inspections
- Building Permits

REVENUE: CRIMINAL COURT AND PUBLIC RECORD SYSTEM

- “Continuing dialogue” between governing body + prosecutor + judges + clerks + auditor + treasurer about fines, fees, costs, and collections?
- If not – why not?
- Statutory review = Are we “current” regarding the fees + costs that can be assessed?
- Practical review = Is the fine structure “current” when compared to the costs of maintaining the courts?
- Criminal fine, cost, and fee statutes: TEX. GOV'T CODE §§ 102.001-102.161; TEX. LOC. GOV'T CODE §§ 112.052, 133.001-133.154; TEX. CODE CRIM. PROC. arts.102.001-102.072,103.002-103.012
REVENUE: CIVIL COURT AND PUBLIC RECORD SYSTEM

- "Continuing dialogue" between governing body + treasurer + prosecutor/civil counsel + judges + clerks + auditor about fees, costs, and collections?
- If not - why not?
- Statutory review = Are we "current" regarding the fees + costs that may lawfully be assessed?
- Administrative penalties = What civil litigation remedies exist for "code/ordinance" violations? What civil monetary penalties can be recovered against the violator?
- Civil cost and fee statutes: TEX. GOVT. CODE §§ 51.301-51.961, 101.061-101.181; TEX. LOC. GOVT. CODE §§ 112.052, 118.001-118.801, 131.001-133.154

REVENUE: GRANTS

- Where are the grants - who can help us get the money?
- How often do we need help - ad hoc or systematic basis?
- Can we afford the trade-off - initial cost reduction vs. long term funding?
- Grant resources, links, and compliance rules:
  - Governor (www.governor.state.tx.us/divisions/grants)
  - Dept. of Public Safety (www.txdps.state.tx.us)
  - Sec. of State (www.sos.state.tx.us/divisions/GrantFunding)
  - Office of Rural Community Affairs (www.ara.state.tx.us)
  - HUD (www.hud.gov/communitydevelopmentprograms)
  - COGO (see links at www.txcogextension.org)
- Find a grant writer:
  - Contact your COG
  - FEE SERVICES for cities/counties at Texas A&M University, Center for Community Support (csc.tamu.edu)
  - National directory (www.grantsalert.com)

REVENUE: IDEAS (UNTESTED) NEW USER FEES

- Fire/Medical Subscription Fees
  (Annual membership fee charged on a per household basis)
- Congestion Fees
  (Fee to drive motor vehicles on certain roadways at certain times)
- Convenience Fees
  (Fee for on-line or automated telephone payments)
- City-Wide Wireless Network
  (Subscription fee to access the Internet from laptop computers and other wireless devices)
REVENUE: Ideas (Untested) for Regional Tax-Base Sharing

- Local governments can pool a portion of tax receipts from neighboring towns to stabilize revenue for each local government over the long term and to ease competition between cities over economic development.
- Changes to Texas law almost certainly are required before the implementation of any regional tax-base sharing plan.

COSTS: IMPROVED PROCUREMENT PROCEDURE

- Goal: To obtain the best service or product for the least cost
- Compliance with competitive bidding statutes required:
  - Cities - TEX. LOC. GOV'T CODE Ch. 252
  - Counties - TEX. LOC. GOV'T CODE Ch. 262
- Exemptions:
  - Cities - TEX. LOC. GOV'T CODE §§ 252.021 ($25,000 rule), 252.022 (general exemptions - no order required)
  - Counties - TEX. LOC. GOV'T CODE §§ 262.023 ($25,000 rule), 262.022 (general exemptions - order granting exemption required)

PROCUREMENT RULES FOR DISTRICT ATTORNEY OR LOCAL PROBATION DEPARTMENT

- TEX. LOC. GOV'T CODE § 140.003
- They are "specialized local entities"
- They must follow all county procurement statutes
- They may also apply all statutory exemptions and exceptions
- Special Reporting Rule: Within 30 days after new fiscal year begins, they must file with commissioners court:
  - complete financial statement for their public office for prior year
  - budget for current fiscal year
- Special Deposit Rule: "... shall deposit in the county treasury... the funds the entity receives."
COSTS: EXCEPTIONS TO COMPETITIVE BIDDING

Approved state contracts

- Texas Building & Procurement Commission:
  - No bidding required: TEX. LOC. GOVT. CODE §§ 271.081-271.083 (local resolution must be filed with TBPC)
  - See www.tbpc.state.tx.us for lists, including airlines, hotels, rental cars
- Texas Department of Information Resources:
  - No bidding required: TEX. GOVT. CODE § 791.025 (interlocal cooperation contract with TDIR required)
  - See www.dir.state.tx.us for information technology lists

COSTS: EXCEPTIONS TO COMPETITIVE BIDDING

“Cooperative Purchasing Programs”

- Purchasing conducted by “local cooperative organization” or “local government”
- No bidding required: TEX. LOC. GOVT. CODE §§ 271.101-271.102 (participation through interlocal cooperation contract required)
- Examples:
  - Houston-Galveston COG Co-op Program (www.hgoac.com - lists include purchase of electricity)
  - U.S. Communities Government Purchasing Alliance (www.uscommunities.org)
  - Public Power Pool, of Texas Conference of Urban Counties (www.publicpowerpool.org - limited to purchase of electricity)
  - BuyBoard Co-op Program of Texas Association of School Boards (www.buyboard.org - lists include purchase of electricity)
  - Tarrant County Co-op Program (www.tarrantcounty.com)
  - Co-op purchasing section of Texas Association of Counties (www.taco.org - good link to several co-op purchasing programs)

COSTS: JAIL POPULATION

- “Continuing dialogue” between governing body + law enforcement + prosecutor + judges + probation officers + clerks + local bar association regarding:
  - pretrial detention/release policies
  - indigent defense appointment procedure
  - appointment of visiting judges
  - frequency of criminal docket
  - “paper-ready” status of criminal offenders
  - jail transport and courthouse security issues
  - data sharing and technology
- If not — why not?
- Statutory review:
  - Mandatory pretrial release due to delay - TEX. CODE CRIM. art. 17.151
  - Appointment of indigent defense counsel - TEX. CODE CRIM. art. 1.051
- Practical review = Who is searching for solutions on a daily basis?
COSTS: PERSONAL BOND OFFICE

- Tex. Code Crim. Pro. art. 17.42
- Can be created by:
  - county; or
  - multiple county judicial district, with approval by commissioners court of each county
- Purpose:
  - gather and review information about whether accused will comply with conditions of PERSONAL BOND
  - make report to court in which case is pending
  - if pretrial release approved, court may release accused on personal bond with conditions
  - accused must pay a fee for services of personal bond officer
- Fee = $20 or 3% of bond amount
- Goals:
  - Faster decisions re pretrial detention
  - Reduced jail costs through pretrial release
  - Provides "someone" to search for solutions on a daily basis

COLLECTION EFFICIENCY PROGRAMS

- Collection by credit card or electronic means
- Tex. Loc. Govt' Code §§ 130.001-130.0046, 132.001-132.007; Tex. Tax Code § 31.06
- Increase the rate of collection
- Decrease the "time at the counter" costs
- Take a look at:
  - Tarrant County Tax Assessor-Collector’s website for online property tax payments + vehicle registration (www.tarrantcounty.org)
  - Comal County’s online payment program for district clerk, county clerk, and JP court payments (www.co.comal.tx.us)
  - City of College Station’s "E-pay" program for utility billing and municipal court payments (www.cstx.gov)

COLLECTION EFFICIENCY PROGRAMS

Indigent screening programs

- Take a look at D-MED Corporation’s automated indigent screening system
- Data is automatically stored in the government’s computer system
- An inquiry is made to a major credit reporting agency
- A credit report is obtained on the applicant
- Indigent eligibility re the applicant for court or health care services is determined by the debt-to-income ratio and financial position relative to the federal poverty guidelines
- In 2005, Dallas County used public bid procedures to award this contract to D-MED
- This program is now being sponsored by National Association of Counties (NACO at www.naco.org)
COLLECTION EFFICIENCY PROGRAMS
Collection contracts; State collection improvement programs

- Private collection contracts:
  - Tex. Cont. Code, Pto. art. 103.0031
  - County or city may contract with private attorney or vendor for collection of unpaid fines, fees, court costs
  - Fee to collector = 30% of amounts past due by 60 days

- Office of Court Administration collection improvement programs:
  - Tex. Cont. Code, Pto. arts. 103.0032, 103.0033
  - Eligible counties and cities may apply to OCA for collection improvement programs and grants
  - See re: OCA's "Collections Home Page" and "Collection Improvement Program"

Red Light Cameras

- Available to cities and counties
- Controversial issue – legislation proposed to regulate enforcement and fees
- Currently used in Garland, Richardson, Houston, Plano
- Red light camera enforcement:
  - No violation personally observed by police
  - Photo taken when car runs red light
  - Not a criminal case
  - Enforcement:
    - Collection of civil penalty by mail
    - Reduces costs of investigation + collection
    - Improves traffic safety

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