**HOUSTON POLITICS & POLICY** 

## Turner creates more space between himself and collection firm

Collection firm Linebarger will still get 87 percent of city's accounts for back taxes

By Rebecca Elliott | March 30, 2016

3



Photo: Steve Gonzales

Houston Mayor Sylvester Turner held his first press conference after his first City Council meeting Monday in Houston. ( Steve Gonzales / Houston Chronicle )

Mayor Sylvester Turner seized the opportunity Wednesday to distance himself from the politically connected tax-collection giant Linebarger by backing a move to reduce the firm's share of Houston's delinquent tax roll.

Turner's law firm was on Linebarger, Goggan, Blair & Sampson's payroll for more than a decade but parted ways last November amid a hotly contested mayoral race that saw rivals questioning the former state representative's ties to the collection firm.

Turner said he was involved in the negotiations to assign additional tax collection accounts to Perdue, Brandon, Fielder, Collins & Mott and Greenberg Traurig, which outperformed Linebarger for the last two years.

"I think we can do things in a very respectful and decent fashion, and everything doesn't have to be political," Turner said. "It's strictly business."

Two years ago, City Council sparred with then-Mayor Annise Parker over handing a slice of the city's delinquent tax roll to Perdue for the first time. On Wednesday, however, those around the horseshoe boosted the firm's allotment to 13 percent, from 7 percent, with little discussion. The new arrangement leaves Linebarger with the remaining accounts.

Turner, a 26-year state legislator whose firm Barnes & Turner previously received more than \$25,000 a year from Linebarger for municipal fines and fees collection, was dogged by his work for the tax giant on the campaign trail last fall, as rivals questioned the ethics of Linebarger's business model.

Reducing Linebarger's share of the collections accounts helps Turner head off the possibility that his work for the firm could re-emerge as a campaign issue in future races, University of Houston political scientist Brandon Rottinghaus said.

"Texas has long been perceived as a favor factory, and if the mayor can use this as one small way to reduce that perception, then it's a step in the right direction," Rottinghaus said. "In effect, it kills two birds with one stone. It helps him on his mission to provide greater accountability through sensible budgeting and to diffuse some political problems down the road."

The collection firms' performance enabled Turner to make an economic argument for the contract shift.

Perdue's collections rate neared 50 percent last year, up from 38 percent in 2014, according to city calculations, while Linebarger's collections rate was 41 percent in 2015 and 23 percent in 2014.

Given that, Councilmembers Dave Martin and Greg Travis questioned why Perdue was not being given even more accounts.

"I have a problem with distributing along the lines of just giving Perdue (12.9) percent," Martin said during last week's budget and fiscal affairs committee meeting. "If this model works, let's really make it a competitive model. This is a data-based decision. You say 22 percent are available but, yet, you're only giving (12.9) percent."

City Attorney Donna Edmundson said the city was comparing the firms' performance to their prior work, not to each other, and looking to shift accounts gradually.

"There's a lot that has to be done for this, in terms of personnel," Edmundson said. "We didn't want to be overly aggressive where we made it so unwieldy that we could not administer it ourselves."

Last fiscal year, back tax collection brought in \$26 million for the cash-strapped city, which must close a budget gap of up to \$160 million by July.

Perdue and Linebarger both praised the deal on Wednesday.

"We're not going to solve the city's budget deficit or the gap, but we'll do our part to try to bring in additional revenue," Perdue partner Michael Darlow said, adding that he thought the decision was made on the merits.

Asked about Linebarger's decreased account share, company spokesman Joe Householder said, "When you serve a client, you serve a client at the client's pleasure. And it was at the client's pleasure that this relatively minor adjustment be made."

Turner emphasized his role in the process.

"I think it was a very fair one, and quite frankly, it was one that was in the best interest of the city of Houston," Turner said, noting that he made the final decision about the account split. "I did not want to see the bickering and the politicking going back and forth. It just doesn't look right and it doesn't breed confidence in our process."

Linebarger's relationship with Barnes & Turner ended last November, Householder said, a month before the firm's website shows it was restructured as Barry Barnes and Associates.

Turner spokeswoman Janice Evans confirmed that Turner has severed ties with his law firm but did not know when.

"He could have maintained, like other mayors have maintained, interests in businesses, but he did not want to do that," Evans said. "So he just divested, because he thought it was the right thing to do."

Barry Barnes and Associates has continued to provide services for Linebarger, Householder said.

Reporter Mike Morris contributed to this story.



Rebecca Elliott Reporter

HEARST newspapers

© 2013 Hearst Newspapers, LLC.