

ARKANSAS SENATE
84th General Assembly - Regular Session, 2003
Amendment Form

Subtitle of Senate Bill No. 869

"TO REVISE THE AUTHORITY OF COUNTY GOVERNMENTS TO CONTRACT WITH
INDEPENDENT CONTRACTORS FOR THE COLLECTION OF DELINQUENT TAXES AND
FINES."

Amendment No. 1 to Senate Bill No. 869.

Amend Senate Bill No. 869 as originally introduced:

Page 1, delete lines 33 through 36

AND

Page 2, delete lines 1 through 18, and substitute the following:

"(b)(1)(A) In addition, one (1) year after any account becomes delinquent or at any time the county collector or other official designated under this section determines that the resources available are insufficient to collect an account, the county collector or other official designated under this section may select an independent contractor, who is not an officer or employee of the county, to collect delinquent personal property taxes, delinquent real property taxes, licenses, fees, penalties, delinquent taxes or assessments of improvement districts, and any other amounts otherwise collected by the county collector or other official designated under this section.

(B) The selection of the independent contractor is subject to competitive bidding requirements that may exist at the time of selection and to the approval of the contract by the other officials under subsection (c) of this section.

(2)(A) If an independent contractor is retained under this section, the contractor may be paid a portion of the amounts collected, as agreed upon in advance by the parties to the contract.

(B) The amount of compensation under the contract shall not exceed thirty percent (30%) of the amount collected.

(C) Subject to the limit under subdivision (b)(2)(B), the fee specified in the contract is due from the taxpayer and shall be collected in the same manner as taxes from the taxpayer.

(3)(A) An independent contractor selected to collect the delinquent accounts shall act as an independent contractor subject to the oversight of the county collector or other official designated under this



section.

(B) The county collector or other official designated under subsection (a) of this section shall have all powers necessary in order to collect delinquent taxes, including the power to select and oversee the independent contractor.

(4) Any amounts collected under the contract with the independent contractor shall be remitted in full to the official designated under subsection (a) of this section.

(5) Under an approved contract, the independent contractor shall have all power and authority of the county collector or other official designated under this section with respect to the accounts to be collected under the collection contract, unless otherwise expressly limited by the contract.

(c)(1) After selection of the independent contractor by the county collector or other official designated under this section, a contract with the independent contractor shall be submitted to the county court for approval.

(2) If agreeable, the contract shall be executed by the county judge, an appropriate representative of the public schools in the county, and the mayor of the county seat or of each county seat in the case of those counties having two (2) county seats.

(3) Approval by the county court and execution as provided under subdivision (c)(2) of this section are deemed a determination that the amounts to be paid to the independent contractor under the contract are commensurate with the costs associated with collection of the delinquent accounts.

(d)(1) If an independent contractor is selected to collect delinquent taxes, then to promote the integrity of the county collector or other official designated under this section and to protect the county, the contractor shall register with the Secretary of State and shall file with the Secretary of State a surety bond or certificate of deposit guaranteeing compliance with the terms of the contract and all applicable laws.

(2) The amount of the surety bond or certificate of deposit shall be fifty thousand dollars (\$50,000).

(3) The county, or any person suffering damage by reason of the acts or omissions of the contractor, may bring action on the bond for damages.

(4) An independent contractor shall be ineligible to provide collection services under this section if the owner, operator, partner or employee has been convicted of a felony.

(e)(1) Not less than thirty (30) days before the county collector or other official designated under this section turns the delinquent tax collection over to the independent contractor, the county collector or other official designated under this section shall give notice to delinquent taxpayers at the last known address of the delinquent taxpayer.

(2) The notice shall include that:

(A) The account is being referred for independent collection; and

(B) An amount up to thirty percent (30%) of the delinquent taxes may be added to the tax as a cost of collection.

(f) This section shall apply to both current and future delinquent personal property taxes, delinquent real property taxes, licenses, fees,

penalties, delinquent taxes or assessments or improvement districts, and any other amounts to be collected by the county collector or other official designated under this section.”

AND

Page 2, line 20, add a new section to read as follows:

“SECTION 2. Arkansas Code § 26-37-101 is amended to read as follows:
26-37-101. Transfer of tax-delinquent lands.

(a)(1) All lands upon which the taxes have not been paid for one (1) year following the date the taxes were due, October 10, shall be forfeited to the State of Arkansas and transmitted by certification to the Commissioner of State Lands for collection or sale.

(2) No tax-delinquent lands shall be sold at the county level.

(b)(1) The county collector shall hold all tax-delinquent lands in the county for one (1) year after the date of delinquency, and, if the lands are not redeemed by the certification date, which shall be no later than July 1 of the following year, the collector shall transmit it to the state by certification, after notice as provided in this chapter, indicating all taxes, penalties, interest, and costs due and the name and last known address of the owner of record of the tax-delinquent lands.

(2) If an independent contractor has been utilized to assist in the collection of real property taxes under § 14-20-113, then all collection activities of the contractor shall cease ten (10) days before the certification date regardless of the status of the collection.

(c) Upon receipt of the certification, title to the tax-delinquent lands shall vest in the State of Arkansas in care of the Commissioner of State Lands.

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator Salmon

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Secretary