

# ARKANSAS SENATE

84th General Assembly - Second Extraordinary Session, 2003

## Amendment Form

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### Subtitle of Senate Bill No. 25

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

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### Amendment No. 1 to Senate Bill No. 25.

Amend Senate Bill No. 25 as originally introduced:

Strike everything after the Enacting Clause and substitute the following:

"SECTION 1. Arkansas Code § 14-20-113 is amended to read as follows:  
14-20-113. Collection of delinquent taxes.

(a) The quorum court in each county shall provide for the collection of delinquent taxes within the county and shall, by ordinance, place the responsibility ~~therefor~~ for collection in the office of the county collector or the combined office of sheriff and collector, ~~or~~ and may provide for the collection of delinquent taxes by a person designated by a board composed of 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 an independent contractor as provided under this section.

(b)(1) If collection of delinquent taxes by an independent contractor is authorized by ordinance, the county judge may select, contract with, and oversee an independent contractor to collect delinquent personal property taxes, real property taxes, and any other delinquent amounts that the collector is charged with collecting. The independent contractor shall:

(A) Be selected subject to competitive bidding requirements under §§ 19-11-801 - 19-11-806;

(B) Not be an officer or employee of the county; and

(C) Be ineligible to provide collection services if the contractor or any partner or employee of the contractor has plead guilty, nolo contendere, or has been found guilty of a felony.

(2) The independent contractor shall have all power and authority of the county collector or sheriff with respect to delinquent accounts, unless expressly limited by the contract.

(3)(A) As compensation, the independent contractor shall collect a fee from the taxpayer based upon the amount of the delinquent account.

(B) The fee shall not exceed an amount equal to thirty percent (30%) of the total dollar amount of the delinquent account collected



as provided under the negotiated contract.

(C)(i) The fee specified under this subdivision (b)(3) shall be collected in the same manner as taxes from the taxpayer.

(ii) The fee amount shall not be considered a portion of the county collector's or sheriff's revenue in calculating excess revenue.

(4)(A) Any amounts collected under the contract with the independent contractor and due to the county shall be remitted in full to the county collector or sheriff within thirty (30) days of receipt.

(B) Any fees earned under the collection contract shall be disclosed to the county collector or sheriff and retained by the independent contractor.

(c)(1) If an independent contractor is selected to collect delinquent accounts, 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 a cause of action on the bond for damages.

(d) No fewer than thirty (30) days before the county collector or sheriff turns the delinquent account collection over to the independent contractor, the county collector or sheriff shall give notice to the delinquent taxpayers at their last known address. The notice shall include that:

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

(2) An amount not to exceed thirty percent (30%) of the delinquent account will be added as a cost of collection if the account is not paid in full within thirty (30) days from the date the notice was postmarked.

(e)(1) Upon expiration of the thirty (30) days provided for in the notice, the accounts remaining delinquent shall be turned over to the independent contractor for collection.

(2) The county collector shall provide all available documentation necessary for the independent contractor to perform all his or her obligations under the collection contract.

(3)(A) Nothing in this subsection (e) shall preclude a taxpayer from making payments directly to the county collector.

(B) Once notice has been provided and the thirty-day time period has expired, if payments are made directly to the collector, the collector shall collect the independent contractor fee.

(C) Notice of the direct payment shall be provided to the independent contractor as soon as practicable and the fee shall be remitted in full within thirty (30) days of receipt.

(f)(1) The independent contractor may collect partial payments of delinquent accounts under an agreed installment payment plan.

(2) An installment payment plan may be prorated over a period of time not to exceed one (1) year, or with respect to delinquent real property taxes, thirty (30) days before certification.

(3) Delinquent taxpayers paying under an installment payment plan shall continue to be assessed penalties on the remaining delinquent taxes due until all delinquent accounts are paid in full.

(4) Compliance by the taxpayer with the installment payment plan shall not preclude certification of real property on the remaining balance due.

(5) The independent contractor shall retain a fee only on the amount actually collected.

(6) Partial payment of delinquent accounts received by the county collector shall be applied first to offset any penalties owed by the delinquent taxpayer then to reduce the tax bill owed.

(g) This section shall apply to both current and future delinquent personal property taxes, real property taxes, and any other delinquent amounts to be collected by the county.

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)(A) If an independent contractor has been utilized to assist in the collection of delinquent real property taxes under § 14-20-113, he or she shall be subject to the limitations of this section.

(B)(i) The county collector shall give thirty (30) days written notice of the county's intent to transmit real property by certification.

(ii) The notice shall provide a list of all parcels to be forfeited and the intended date of transmittal to the state.

(C) All collection activities of the independent 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

PBB/RKC - 12-12-2003 15:47

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Secretary