

1 State of Arkansas
2 84th General Assembly
3 Second Extraordinary Session, 2003
4

As Engrossed: S12/16/03 S12/18/03

Call Item 6

A Bill

SENATE BILL 25

5 By: Senator Salmon
6 By: Representative Childers
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For An Act To Be Entitled

10 AN ACT TO REVISE THE AUTHORITY OF COUNTY
11 GOVERNMENTS TO CONTRACT WITH INDEPENDENT
12 CONTRACTORS FOR THE COLLECTION OF DELINQUENT
13 TAXES AND FINES; AND FOR OTHER PURPOSES.
14

Subtitle

15 TO REVISE THE AUTHORITY OF COUNTY
16 GOVERNMENTS TO CONTRACT WITH INDEPENDENT
17 CONTRACTORS FOR THE COLLECTION OF
18 DELINQUENT TAXES AND FINES.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 *SECTION 1. Arkansas Code § 14-20-113 is amended to read as follows:*
25 *14-20-113. Collection of delinquent taxes.*

26 *(a) The quorum court in each county shall provide for the collection*
27 *of delinquent taxes within the county and shall, by ordinance, place the*
28 *responsibility ~~therefor~~ for collection in the office of the county collector*
29 *or the combined office of sheriff and collector, ~~or~~ may provide for the*
30 *collection of delinquent taxes by a person designated by a board composed of*
31 *the county judge, an appropriate representative of the public schools in the*
32 *county, and the mayor of the county seat or of each county seat in the case*
33 *of those counties having two (2) county seats, and may provide for the*
34 *collection of delinquent taxes by an independent contractor as provided under*
35 *this section.*

36 *(b)(1) If collection of delinquent taxes by an independent contractor*



1 is authorized by ordinance, sixty (60) days after any account becomes
2 delinquent or at any time the county collector or sheriff determines that the
3 resources available are insufficient to collect a delinquent account the
4 county judge may select, contract with, and oversee an independent contractor
5 to collect delinquent personal property taxes, and any other delinquent
6 amounts that the collector is charged with collecting, except real property
7 taxes. The independent contractor shall:

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

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

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

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

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

19 (B) The fee shall not exceed an amount equal to thirty
20 percent (30%) of the total dollar amount of the delinquent account collected
21 as provided under the negotiated contract.

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

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

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

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

33 (c)(1) If an independent contractor is selected to collect delinquent
34 accounts, the contractor shall register with the Secretary of State and shall
35 file with the Secretary of State a surety bond or certificate of deposit
36 guaranteeing compliance with the terms of the contract and all applicable

1 laws.

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

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

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

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

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

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

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

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

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

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

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

34 (2) An installment payment plan may be prorated over a period of
35 time not to exceed one (1) year.

36 (3) Delinquent taxpayers paying under an installment payment

1 plan shall continue to be assessed penalties on the remaining delinquent
2 taxes due until all delinquent accounts are paid in full.

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

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

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

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12 /s/ Salmon
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