

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 2741

4
5 By: Representative Pace
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For An Act To Be Entitled

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

Subtitle

14 AN ACT TO REVISE THE AUTHORITY OF COUNTY
15 GOVERNMENTS TO CONTRACT WITH INDEPENDENT
16 CONTRACTORS FOR THE COLLECTION OF
17 DELINQUENT TAXES AND FINES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

23 SECTION 1. Arkansas Code § 14-20-113 is amended to read as follows:
24 14-20-113. Collection of delinquent taxes.

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

35 (b)(1)(A) If collection of delinquent taxes by an independent
36 contractor is authorized by ordinance, sixty (60) days after any account



1 becomes delinquent or at any time the county collector or sheriff determines
2 that the resources available are insufficient to collect a delinquent
3 account, the county judge may select, contract with, and oversee an
4 independent contractor to collect delinquent personal property taxes and any
5 other delinquent amounts that the collector is charged with collecting,
6 except real property taxes.

7 (B) The independent contractor shall:

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

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

12 (iii) Be ineligible to provide collection services
13 if the contractor or any partner or employee of the contractor has pleaded
14 guilty or nolo contendere to or has been found guilty of a felony.

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

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

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

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

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

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

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

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

1 guaranteeing compliance with the terms of the contract and all applicable
 2 laws.

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

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

8 (d)(1) No less than thirty (30) days before the county collector or
 9 sheriff turns the delinquent account collection over to the independent
 10 contractor, the county collector or sheriff shall give notice to the
 11 delinquent taxpayers at their last known address.

12 (1) The notice shall include that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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