

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4
5 By: Representative Jean

A Bill

HOUSE BILL 1766

For An Act To Be Entitled

8 AN ACT TO PROVIDE ADDITIONAL MEASURES TO COLLECT
9 DELINQUENT PROPERTY TAXES, PENALTIES, AND INTEREST ON
10 MINERAL RIGHTS; TO ALLOW A COUNTY COLLECTOR TO
11 INITIATE PROCEEDINGS TO COLLECT DELINQUENT PROPERTY
12 TAXES, PENALTIES, AND INTEREST ON MINERAL RIGHTS; AND
13 FOR OTHER PURPOSES.

Subtitle

16 TO PROVIDE ADDITIONAL MEASURES TO COLLECT
17 DELINQUENT PROPERTY TAXES, PENALTIES, AND
18 INTEREST ON MINERAL RIGHTS.

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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 Title 26, Chapter 36, Subchapter 2, is
25 amended to add an additional section to read as follows:

26 26-36-213. Delinquent taxes on mineral interests – Certified statement
27 or account.

28 (a)(1)(A) If a county collector demands payment of property tax due on
29 mineral interests by a known owner of mineral interests at the taxpayer's
30 last known address and the taxpayer fails to pay the property tax due on
31 mineral interests by October 15, the county collector, after December 1, may:

32 (i) Present a certified statement or account for
33 taxes to any person who has in the person's possession funds that are:

34 (a) Derived from the property on which the
35 delinquent taxes are outstanding; and

36 (b) Due and owing to the delinquent taxpayer;



1 and

2 (ii) Demand payment of the delinquent taxes plus any
3 penalties and interest.

4 (B)(i) For property taxes on mineral interests that are
5 delinquent after December 1 and at the time the certified statement or
6 account is presented, an additional penalty of ten percent (10%) of the
7 amount of the delinquent property taxes shall be assessed as an
8 administrative collection fee.

9 (ii) Upon collection of the delinquent property
10 taxes and any penalties and interest from the person receiving the certified
11 statement or account, the county collector shall pay, upon request, one-half
12 (1/2) of the penalty assessed and collected under subdivision (a)(1)(B)(i) of
13 this section to the person making the payment for the administrative costs
14 incurred in collecting and paying to the county collector the delinquent
15 taxes, penalties, and interest.

16 (iii) A portion of the administrative collection fee
17 retained by the county collector under this section shall represent the
18 interest continuing to accrue for the period of up to ninety (90) days from
19 the date that the certified statement or account is presented until the
20 certified statement or account is returned with payment. No other form of
21 interest is due from the person receiving the certified statement or account.

22 (C) Before a county collector may initiate collection
23 proceedings under this section, the county collector shall provide the notice
24 of publication required under § 26-37-107, which shall also include the
25 following information:

26 (i) Notice of the penalty provided under subdivision
27 (a)(1)(B)(i) of this section; and

28 (ii) Notice that the county collector may seek
29 collection under this section if the property taxes, penalties, and interest
30 remain unpaid after December 1.

31 (2)(A) Except as provided in subdivision (a)(2)(C) of this
32 section, the person to which the certified statement or account for taxes is
33 presented shall pay the county collector the amount of the taxes, penalties,
34 and interest that the delinquent taxpayer owes up to the amount of funds the
35 person has in the person's possession that is due and owing to the delinquent
36 taxpayer.

1 (B)(i) The county collector shall provide a copy of the
2 county collector's receipt for the payment to the person making the payment
3 under this section and to the delinquent taxpayer at the delinquent
4 taxpayer's last known address.

5 (ii) The receipt provided under subdivision
6 (a)(2)(B)(i) of this section shall be accepted in the county collector's
7 office and in all courts of the state as payment on the delinquent taxpayer's
8 indebtedness of the amount expressed on the county collector's receipt.

9 (C)(i) The county collector shall not receive or accept a
10 partial payment of the delinquent taxes, penalties, and interest due.

11 (ii) If, at the end of the ninety-day period allowed
12 for the return of the certified statement or account, a person to which the
13 certified statement or account for taxes is presented has in the person's
14 possession an amount of funds due and owing to the delinquent taxpayer that
15 is less than the amount of the taxes, penalties, and interest that the
16 delinquent taxpayer owes, the person to which the certified statement or
17 account is presented is not required to pay any amount.

18 (b)(1) Service of the certified statement or account of the tax under
19 this section shall operate as a levy upon the person served.

20 (2) The certified statement or account shall:

21 (A) State the name of the delinquent taxpayer and the
22 delinquent taxpayer's last known address;

23 (B)(i) Identify the delinquent taxpayer's assessed
24 property interests.

25 (ii) The county collector shall include in the
26 certified statement or account the identification information provided in the
27 notice of publication made under § 26-37-107 and a copy of the tax statements
28 containing the delinquent taxpayer's last known address;

29 (C) State that it is returnable within ninety (90) days
30 from receipt by the person indebted to the delinquent taxpayer;

31 (D) State the amount of taxes, penalties, and interest
32 owed;

33 (E) Be returned with payment of the amount owed and
34 delinquent as reflected on the certified statement or account; and

35 (F) Be effective until the earlier of the following:

36 (i) The date the certified statement or account is

1 paid in full; or

2 (ii) One (1) year from the date the certified
3 statement or account is presented for payment under this section.

4 (3) A person shall not be compelled to pay the following:

5 (A) Any amount before it is due and owing to the
6 delinquent taxpayer; or

7 (B) A greater amount than is owed to the delinquent
8 taxpayer.

9 (c)(1) A person making a payment to a county collector under this
10 section is not liable to the delinquent taxpayer to which the person is
11 indebted for complying with a demand for payment under this section.

12 (2) A payment made under this section is considered to be made
13 to the delinquent taxpayer and satisfies any contractual obligation or
14 indebtedness due and owing the delinquent taxpayer by the person making the
15 payment on the certified statement or account for the amount expressed on the
16 county collector's receipt.

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18 SECTION 2. EFFECTIVE DATE. This act is effective for assessment years
19 beginning on or after January 1, 2013.