

STATE OF OKLAHOMA

2nd Session of the 46th Legislature (1998)

COMMITTEE SUBSTITUTE
FOR ENGROSSED
HOUSE BILL NO. 2846

By: Kinnamon of the House
and
Maddox of the Senate

COMMITTEE SUBSTITUTE

[revenue and taxation - audit and collect delinquent
taxes -

effective date]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 68 O.S. 1991, Section 255, as last amended by Section 11, Chapter 294, O.S.L. 1997 (68 O.S. Supp. 1997, Section 255), is amended to read as follows:

Section 255. A. In order to facilitate and expedite the collection of taxes more than six (6) months overdue from any taxpayer, the Oklahoma Tax Commission may enter into a contract with a debt collection agency doing business in the State of Oklahoma or in any other state for the collection of such delinquent taxes in addition to all other taxes accrued or accruing, including penalties and interest thereon, from the taxpayer. The Tax Commission may also enter into a contract with a person doing business in the State

of Oklahoma or in any other state for the purpose of identifying and locating the assets of such delinquent taxpayer. Such contracts authorized by this section shall be subject to the provisions of the Oklahoma Central Purchasing Act.

B. In addition to the authority provided in subsection A of this section, the Tax Commission may enter into a contract for the purpose of identifying nonresident businesses and individuals who are required by law to file and pay Oklahoma state taxes and who are presently unknown to the Tax Commission. However, in no instance shall any such contract be paid upon a percentage basis, or on any basis whereby the compensation under the contract is dependent upon the amount of monies collected or assessed. Any such contract containing a provision whereby the compensation is conditioned upon or measured directly or indirectly by the amount of money collected or assessed shall be void and unenforceable.

C. Prior to entering into such a contract with a debt collection agency, the Tax Commission shall require that the debt collection agency file a bond in the amount of One Hundred Thousand Dollars (\$100,000.00). The bond shall be a bond from a surety company chartered or authorized to do business in this state, cash bond, certificates of deposits, certificates of savings or U.S. Treasury bonds, as the Tax Commission may deem necessary to guarantee compliance with the terms of the contract.

D. Each contract entered into by the Tax Commission with a debt collection agency, pursuant to the provisions of this section, shall specify that fees for services rendered, reimbursements or other remuneration shall be based on the total amount of delinquent taxes, including accrued penalties and interest, which is actually collected. No costs shall be reimbursed unless authorized in the contract. Each contract entered into between the Tax Commission and a debt collection agency shall provide for the payment of fees for such services, reimbursements or other remuneration not in excess of

twenty percent (20%) of the total amount of delinquent taxes, penalty and interest actually collected.

E. Each contract entered into by the Tax Commission with a person for the purpose of identifying and locating assets of delinquent taxpayers shall specify the amount of money to be paid for the performance of such services. No costs shall be reimbursed unless authorized in the contract.

F. All such funds collected by a debt collection agency, including the fees for collection services as provided for in such contract, shall be remitted to the Tax Commission within five (5) days from the date of collection from a taxpayer. The Tax Commission shall pay from such remitted fees the amount of fees such debt collecting agency is entitled to for services performed pursuant to the provisions of such contract. All assets of such delinquent taxpayers which are identified and located shall be reported to the Tax Commission within five (5) days from the date of identification and location. Forms to be used for such remittances and reports shall be prescribed by the Tax Commission.

G. A debt collection agency entering into a contract with the Tax Commission or a person entering into a contract with the Tax Commission for asset location purposes pursuant to this section shall agree that it is receiving income from sources within this state or doing business in this state for purposes of the Oklahoma tax laws.

H. The Oklahoma Tax Commission shall develop administrative procedures to ensure that individuals, firms, or corporations in good standing regarding their tax liabilities will not be badgered or harassed by any entity with which the Tax Commission enters into a contract pursuant to the provisions of this section.

SECTION 2. This act shall become effective November 1, 1998.

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