

ENGROSSED HOUSE
BILL NO. 2846

By: Kinnamon of the House
and
Maddox of the Senate

An Act relating to revenue and taxation; amending 68 O.S. 1991, Section 262, as last amended by Section 23, Chapter 290, O.S.L. 1996 (68 O.S. Supp. 1997, Section 262), which relates to contracts with private contractors to audit and collect delinquent taxes; permitting the Oklahoma Tax Commission to contract and expend certain monies; prohibiting Oklahoma Tax Commission from entering into contracts where compensation is based on percentage basis or based on amount of money collected; declaring that certain contracts shall be void and unenforceable; permitting Oklahoma Tax Commission to contract with certain companies or agencies; requiring promulgation of rules; and providing an effective date.

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

SECTION 1. AMENDATORY 68 O.S. 1991, Section 262, as last amended by Section 23, Chapter 290, O.S.L. 1996 (68 O.S. Supp. 1997, Section 262), is amended to read as follows:

Section 262. The Oklahoma Tax Commission may contract with private auditors or audit firms to audit the books of individuals,

firms, or corporations which the Commission believes may owe the State of Oklahoma additional tax monies. The Oklahoma Tax Commission may contract and may expend monies from the Oklahoma Tax Commission Reimbursement Fund to enter into such contracts. However, in no instance shall any such contract with a private auditor, audit firm, temporary service company or professional collection agency to audit the books of individuals, firms or corporations 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 by the private auditor, audit firm, temporary company or professional collection agency. 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. The Oklahoma Tax Commission may contract with temporary service companies or professional collection agencies as necessary for the collection of delinquent taxes or other monies owed to the state, provided that the 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. The Oklahoma Tax Commission may contract and may expend monies from the Oklahoma Tax Commission Reimbursement Fund in payment of a reasonable fee of the delivered funds in payment ~~to private auditors or audit firms to audit the books of persons as defined in the Uniform Tax Procedure Code, Section 201 et seq. of this title, which the Commission believes may owe the State of Oklahoma additional tax monies, or with~~ of contracts entered into with temporary service companies or professional collection agencies as necessary for the collection of delinquent taxes or other monies owed to the state. Such payment shall not be made until the funds have been deposited with the Commission. Temporary employees or contractors hereunder shall not disclose confidential tax information except as authorized

by Section 205 of this title, subject to the penalties contained therein.

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

Passed the House of Representatives the 2nd day of March, 1998.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1998.

President of the Senate