

STATE OF OKLAHOMA

2nd Session of the 48th Legislature (2002)

SENATE BILL 1294

By: Herbert

AS INTRODUCED

An Act relating to revenue and taxation; allowing county assessor to enter into certain contracts for debt collection and asset location; specifying requirements and provisions applicable thereto; requiring certain bond and prescribing form; limiting fees; providing for payment of collected funds and reporting of identified assets; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2951 of Title 68, unless there is created a duplication in numbering, reads as follows:

A. In order to facilitate and expedite the collection of ad valorem taxes more than ninety (90) days overdue from any taxpayer, a county assessor 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 contract shall only authorize the debt collection agency to collect tax liabilities which are already established, and the county assessor shall not refer accounts to the debt collection agency unless the assessor has notified the taxpayer, by first class mail, of the liability and has made additional efforts to collect the debt. In addition, the contract shall not authorize the debt collection agency to conduct audits or examine the books and records of a taxpayer in any manner. The county assessor 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. Contracts authorized by this section shall be subject to the provisions of Section 1500 et seq. of Title 19 of the Oklahoma Statutes.

B. Prior to entering into a contract with a debt collection agency, the county assessor shall require that the debt collection agency file a bond in the amount of Twenty Thousand Dollars (\$20,000.00); provided, the county assessor may increase the amount of the bond if the county assessor can demonstrate that the volume of collections warrants a higher amount. 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 county assessor may deem necessary to guarantee compliance with the terms of the contract.

C. Each contract entered into by the county assessor 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 county assessor and a debt collection agency shall provide for the payment of fees for such services, reimbursements or other remuneration not in excess of thirty percent (30%) of the total amount of delinquent taxes, penalty and interest actually collected.

D. Each contract entered into by the county assessor 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.

E. All funds collected by a debt collection agency, including the fees for collection services as provided for by contract, shall be remitted to the county treasurer within five (5) days from the last day of the month of collection from a taxpayer. The county assessor 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 delinquent taxpayers which are identified and located shall be reported to the county assessor within five (5) days from the date of identification and location. Forms to be used for remittances and reports shall be prescribed by the county assessor.

F. A debt collection agency entering into a contract with a county assessor or a person entering into a contract with a county assessor for asset location 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.

SECTION 2. This act shall become effective November 1, 2002.

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