

By: Duncan

S.B. No. 296

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the authority of the comptroller to contract for
3 services to collect delinquent taxes, fees, interest, and
4 penalties.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Subchapter A, Chapter 111, Tax Code, is amended
7 by adding Section 111.00455 to read as follows:

8 Sec. 111.00455. CONTRACTS WITH COLLECTIONS AGENTS;
9 LIABILITY FOR COLLECTIONS FEES. (a) The comptroller may contract
10 with one or more collections agents to assist in the collection of
11 taxes or fees the payment of which has been delinquent for at least
12 120 days, including the collection of fees, interest, and penalties
13 associated with the delinquency and with the cost of their
14 collection.

15 (b) A taxpayer whose taxes have been delinquent for at least
16 120 days is liable to the state for the comptroller's costs of
17 collection incurred after that date, including fees provided by a
18 contract under this section, in addition to any liability for the
19 taxes and any associated fees, interest, or penalties.

20 (c) A person whose payment of a fee collected by the
21 comptroller has been delinquent for at least 120 days is liable to
22 the state for the comptroller's costs of collection incurred after
23 that date, including fees provided by a contract under this
24 section, in addition to any liability for the fee and any associated

1 fees, interest, or penalties.

2 (d) The comptroller's contract with a collections agent
3 under this section must provide for a contingency fee to be paid the
4 agent for successfully collecting the delinquent taxes or fee and
5 any fees, costs, interest, and penalties associated with the
6 delinquent taxes or fee. The fee may not exceed 30 percent of the
7 amount of the total of the delinquent taxes or fee and the
8 associated fees, costs, interest, and penalties. The contract may
9 provide for a partial payment to the collections agent for
10 collection of a part of that total, not to exceed 30 percent of the
11 amount collected.

12 (e) Notwithstanding Section 111.010 or other law, the
13 collections agent may, if authorized under the collections
14 contract, bring suit to collect the delinquent tax or fee and
15 associated fees, costs, interest, and penalties. If the
16 collections agent prevails in a lawsuit to collect the delinquent
17 tax or fee and associated fees, costs, interest, and penalties, the
18 court shall calculate the amount of the collection fee due to the
19 agent and shall award the amount of the fee to the agent or to the
20 state, as provided by the collections contract.

21 (f) The comptroller by rule or by terms of a collections
22 contract may regulate or limit the collections activities of a
23 collections agent acting under the contract.

24 (g) Section 2107.003, Government Code, does not apply to a
25 contract authorized by this section. If the collections agent is an
26 attorney or law firm, Subchapter C, Chapter 2254, Government Code,
27 does not apply to a contract authorized by this section.

1 SECTION 2. Section 111.00455, Tax Code, as added by this
2 Act, applies only to the collection of taxes or fees that become due
3 for payment on or after the effective date of this Act.

4 SECTION 3. This Act takes effect September 1, 2007.