

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1766

By: Representative Jean

For An Act To Be Entitled

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

Subtitle

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

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 36, Subchapter 2, is amended to add an additional section to read as follows:

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

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

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

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

(b) Due and owing to the delinquent taxpayer;



and

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) The certified statement or account shall:

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

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

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

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

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

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

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

(i) The date the certified statement or account is

paid in full; or

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

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

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

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

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

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

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