

Report rec'd 4/19

Appropriations
Jensen, Chair
Rush
Gracia
Hulse
C. Miller

FILED FEB 18 1982

SENATE FILE 2191

BY COMMITTEE ON WAYS AND MEANS
(FORMERLY SSB 2031)

Approved 2/18 (p. 435)

Passed Senate, Date 4-15-82 (p. 1228) Passed House, Date 4-22-82 (p. 1654)

Vote: Ayes 35 Nays 6 Vote: Ayes 93 Nays 3

Approved 5/11/82

A BILL FOR

1 An Act relating to the employment of collection agencies for
2 the collection of delinquent taxes administered by the
3 department of revenue, and making an appropriation, effective
4 upon publication.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SENATE FILE 2191

S-5134

1 Amend Senate File 2191 as follows:

2 1. Page 1, line 11, by inserting after the word
3 "actually" the words "collected and shall be paid
4 only after the amount of tax, penalty, and interest
5 is".

6 2. Page 1, line 17, by striking the words "general
7 fund" and inserting in lieu thereof the words "amount
8 of tax, penalty, and interest actually collected by
9 the collection agency".

S-5134 FILED

FEBRUARY 22, 1982

Adopted 4/15 (p. 1228)

BY BERL E. PRIEBE

EMIL HUSAK

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1 Section 1. Section 421.17, Code 1981, is amended by add-
2 ing the following new subsection:

5136 3 NEW SUBSECTION. To employ collection agencies, within
4 or without the state, to collect delinquent taxes, including
5 penalties and interest, administered by the department where
6 the director finds that departmental personnel are unable
7 to collect the delinquent accounts because of a taxpayer's
8 location outside the state or for any other reason. Fees
9 for services, reimbursement, or other remuneration, including
10 attorney fees, paid to collection agencies shall be based
11 upon the amount of tax, penalty, and interest actually
12 collected. All funds collected must be remitted in full to
13 the department within thirty days from the date of collection
14 from a taxpayer or in a lesser time as the director prescribes.
15 The funds shall be applied toward the taxpayer's account and
16 handled as are funds received by other means. An amount is
17 appropriated from the general fund sufficient to pay all fees
18 for services, reimbursement, or other remuneration pursuant
19 to a contract with a collection agency under this subsection.
20 A collection agency entering into a contract with the
21 department for the collection of delinquent taxes pursuant
22 to this subsection is subject to the requirements and penalties
23 of tax information confidentiality laws of this state. All
24 contracts and fees provided for in this subsection are subject
25 to the approval of the governor.

26 Sec. 2. This Act, being deemed of immediate importance,
27 takes effect from and after its publication in the Creston
28 News-Advertiser, a newspaper published in Creston, Iowa, and
29 in The Titonka Topic, a newspaper published in Titonka, Iowa.

30 EXPLANATION

31 The bill authorizes the director of revenue to employ,
32 subject to the approval of the governor, collection agencies
33 for the collection of delinquent taxes. Fees or other
34 remuneration paid to these collection agencies will be based
35 upon the amount of taxes, interest, and penalties actually

1 collected. These fees or other remuneration paid to the
2 collection agencies will be from funds out of the general
3 fund and not from the appropriations specifically made to
4 the department of revenue. The bill also provides that the
5 requirements and penalties of the state tax confidentiality
6 laws apply to the collection agencies.

7 The bill takes effect upon publication.

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SENATE FILE 2191
FISCAL NOTE

REQUESTED BY SENATOR CRAFT

In compliance with a written request there is hereby submitted a Fiscal Note for Senate File 2191 pursuant to Joint Rule 16.

SF 2191 authorizes the director of revenue to employ, subject to the approval of the governor, collection agencies for the collection of delinquent taxes. Fees or other remuneration paid to these collection agencies will be based upon the amount of taxes, interest, and penalties actually collected. These fees or other remuneration paid to the collection agencies will be from funds out of the general fund and not from the appropriations specifically made to the department of revenue. The bill also provides that the requirements and penalties of the state tax confidentiality laws apply to the collection agencies.

Currently, the department of revenue has approximately \$800,000 in out of state billings to be collected and \$1,000,000 billings with unknown addresses. The bill will create a standing unlimited appropriations account for payment to agencies who collect these moneys. Agencies will be paid an average of 35% of the moneys they collect, with the balance going to the general fund.

While the exact fiscal effect of SF 2191 is unknown, depending upon the success of the collection agencies, the effect of adding these moneys to the state general fund will be a positive one.

FILED:
FEBRUARY 24, 1982

BY GERRY RANKIN, DIRECTOR
LEGISLATIVE FISCAL BUREAU

SENATE FILE 2191

BY COMMITTEE ON WAYS AND MEANS

(AS AMENDED AND PASSED BY THE SENATE APRIL 15, 1982)

Passed Senate, Date 4-15-82 (p. 1228) Passed House, Date 4-22-82 (p. 1654)

Vote: Ayes 38 Nays 6 Vote: Ayes 93 Nays 3

Approved May 11, 1982

A BILL FOR

1 An Act relating to the employment of collection agencies for
2 the collection of delinquent taxes administered by the
3 department of revenue, and making an appropriation, effective
4 upon publication.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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————— = New Language
by the Senate

1 Section 1. Section 421.17, Code 1981, is amended by add-
2 ing the following new subsection:

3 NEW SUBSECTION. To employ collection agencies, within
4 or without the state, to collect delinquent taxes, including
5 penalties and interest, administered by the department where
6 the director finds that departmental personnel are unable
7 to collect the delinquent accounts because of a taxpayer's
8 location outside the state or for any other reason. Fees
9 for services, reimbursement, or other remuneration, including
10 attorney fees, paid to collection agencies shall be based
11 upon the amount of tax, penalty, and interest actually
12 collected and shall be paid only after the amount of tax,
13 penalty, and interest is collected. All funds collected must
14 be remitted in full to the department within thirty days from
15 the date of collection from a taxpayer or in a lesser time
16 as the director prescribes. The funds shall be applied toward
17 the taxpayer's account and handled as are funds received by
18 other means. An amount is appropriated from the amount of
19 tax, penalty, and interest actually collected by the collection
20 agency sufficient to pay all fees for services, reimbursement,
21 or other remuneration pursuant to a contract with a collection
22 agency under this subsection. A collection agency entering
23 into a contract with the department for the collection of
24 delinquent taxes pursuant to this subsection is subject to
25 the requirements and penalties of tax information
26 confidentiality laws of this state. All contracts and fees
27 provided for in this subsection are subject to the approval
28 of the governor.

29 Sec. 2. This Act, being deemed of immediate importance,
30 takes effect from and after its publication in the Creston
31 News-Advertiser, a newspaper published in Creston, Iowa, and
32 in The Titonka Topic, a newspaper published in Titonka, Iowa.

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SENATE FILE 2191

AN ACT

RELATING TO THE EMPLOYMENT OF COLLECTION AGENCIES FOR THE COLLECTION OF DELINQUENT TAXES ADMINISTERED BY THE DEPARTMENT OF REVENUE, AND MAKING AN APPROPRIATION, EFFECTIVE UPON PUBLICATION.

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

Section 1. Section 421.17, Code 1981, is amended by adding the following new subsection:

NEW SUBSECTION. To employ collection agencies, within or without the state, to collect delinquent taxes, including penalties and interest, administered by the department where the director finds that departmental personnel are unable to collect the delinquent accounts because of a taxpayer's location outside the state or for any other reason. Fees for services, reimbursement, or other remuneration, including attorney fees, paid to collection agencies shall be based upon the amount of tax, penalty, and interest actually collected and shall be paid only after the amount of tax, penalty, and interest is collected. All funds collected must be remitted in full to the department within thirty days from the date of collection from a taxpayer or in a lesser time as the director prescribes. The funds shall be applied toward the taxpayer's account and handled as are funds received by other means. An amount is appropriated from the amount of tax, penalty, and interest actually collected by the collection agency sufficient to pay all fees for services, reimbursement, or other remuneration pursuant to a contract with a collection agency under this subsection. A collection agency entering into a contract with the department for the collection of delinquent taxes pursuant to this subsection is subject to the requirements and penalties of tax information

confidentiality laws of this state. All contracts and fees provided for in this subsection are subject to the approval of the governor.

Sec. 2. This Act, being deemed of immediate importance, takes effect from and after its publication in the Creston News-Advertiser, a newspaper published in Creston, Iowa, and in The Titonka Topic, a newspaper published in Titonka, Iowa.

TERRY E. BRANSTAD
President of the Senate

DELWYN STROMER
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2191, Sixty-ninth General Assembly.

Approved May 11, 1982

K. MARIE THAYER
Secretary of the Senate

ROBERT D. RAY
Governor