

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0404.01 Esther van Mourik

HOUSE BILL 10-1055

HOUSE SPONSORSHIP

Kefalas,

SENATE SPONSORSHIP

Steadman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REQUIREMENT THAT FEES FOR SERVICES RENDERED**
102 **BY A THIRD PARTY FOR COLLECTION OF DELINQUENT TAXES BE**
103 **ADDED TO THE TOTAL AMOUNT COLLECTED BY THE THIRD**
104 **PARTY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Currently, the department of revenue pays a third-party debt collection agency or attorney its fees for services rendered in collecting

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

delinquent taxes out of the total amount of delinquent taxes actually collected. The bill requires the debt collection agency or attorney to add fees for services rendered to the total amount to be collected.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 39-21-114 (8) (c) and (8) (d), Colorado Revised
3 Statutes, are amended to read:

4 **39-21-114. Methods of enforcing collection.** (8) (c) (I) Each
5 contract entered into with a debt collection agency or an attorney shall
6 specify that fees for services rendered shall be based on the total amount
7 of delinquent taxes, including accrued penalties and interest, ~~which~~ THAT
8 is actually collected. ANY FEES FOR SERVICES RENDERED SHALL BE
9 COLLECTED BY THE AGENCY OR ATTORNEY IN ADDITION TO THE TOTAL
10 AMOUNT OF DELINQUENT TAXES, INCLUDING ACCRUED PENALTIES AND
11 INTEREST, ACTUALLY COLLECTED. SUCH FEES FOR SERVICES RENDERED
12 SHALL BE SHOWN TO THE TAXPAYER AS A SEPARATE AND DISTINCT ITEM,
13 AND, WHEN ADDED, SUCH FEES FOR SERVICES RENDERED SHALL BE A DEBT
14 FROM THE TAXPAYER TO THE AGENT OR ATTORNEY UNTIL PAID AND SHALL
15 BE RECOVERABLE AT LAW IN THE SAME MANNER AS OTHER DEBTS.

16 (II) IF THE DEPARTMENT ENTERS INTO A CONTRACT WITH A DEBT
17 COLLECTION AGENCY OR AN ATTORNEY TO COLLECT DELINQUENT TAXES,
18 INCLUDING ACCRUED PENALTIES AND INTEREST, AND ANY FEES FOR
19 SERVICES RENDERED AS SPECIFIED IN SUBPARAGRAPH (I) OF THIS
20 PARAGRAPH (c) AND THE CONTRACT SPECIFIES THAT THE DEPARTMENT IS
21 REQUIRED TO COLLECT THE FEES FOR SERVICES RENDERED IF THE
22 TAXPAYER CHOOSES TO PAY THE TOTAL AMOUNT OWED DIRECTLY TO THE
23 DEPARTMENT, THE DEPARTMENT SHALL BECOME THE AGENT FOR THE
24 AGENCY OR ATTORNEY AND COLLECT THE AGENCY'S OR ATTORNEY'S FEES

1 FOR SERVICES RENDERED ON BEHALF OF THE AGENCY OR ATTORNEY.

2 (III) IF A TAXPAYER MAKES A PAYMENT TOWARD THE TOTAL
3 AMOUNT A DEBT COLLECTION AGENCY OR ATTORNEY IS ATTEMPTING TO
4 COLLECT, INCLUDING DELINQUENT TAXES, ACCRUED PENALTIES AND
5 INTEREST, AND ANY FEES FOR SERVICES RENDERED AS SPECIFIED IN
6 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c), SUCH PAYMENT SHALL BE
7 ALLOCATED AMONG DELINQUENT TAXES, ACCRUED PENALTIES AND
8 INTEREST, AND FEES FOR SERVICES RENDERED ACCORDING TO THE RULES
9 OR PROCEDURES OF THE DEPARTMENT AND THE CONTRACT BETWEEN THE
10 DEPARTMENT AND THE AGENCY OR ATTORNEY. THE TAXPAYER MAY NOT
11 DESIGNATE THE ALLOCATION OF THE PAYMENT.

12 (IV) No costs except court costs shall be reimbursed unless
13 authorized in such contract. If a debt collection agency or an attorney
14 files a civil suit to collect ~~such~~ DELINQUENT taxes, INCLUDING ACCRUED
15 PENALTIES AND INTEREST, suit shall be brought in the name of the
16 executive director of the department of revenue of the state of Colorado.
17 When suit is brought by an agency or attorney, court costs are
18 reimbursable by the department TO THE AGENCY OR ATTORNEY, but fees
19 for services of legal representation incurred BY SUCH AGENCY OR
20 ATTORNEY ON BEHALF OF THE DEPARTMENT for the purpose of such suit
21 shall not be reimbursable.

22 (d) A debt collection agency or an attorney shall, pursuant to
23 contract, remit the total amount ~~actually~~ OF DELINQUENT TAXES,
24 INCLUDING ACCRUED PENALTIES AND INTEREST, collected, less ~~fees for~~
25 ~~services rendered and~~ allowable REIMBURSABLE costs, to the executive
26 director within thirty days from the date the moneys are collected from
27 the taxpayer.

1 **SECTION 2. Applicability.** This act shall apply to contracts
2 between the department of revenue and a debt collection agency or an
3 attorney entered into on or after the effective date of this act.

4 **SECTION 3. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.