

**Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 10-0404.01 Esther van Mourik

**HOUSE BILL 10-1055**

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**HOUSE SPONSORSHIP**

**Kefalas,**

**SENATE SPONSORSHIP**

**Steadman,**

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**House Committees**  
Finance

**Senate Committees**

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**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.**

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**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.*

HOUSE  
Amended 2nd Reading  
January 26, 2010

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.

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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; HOWEVER, UNDER NO CIRCUMSTANCE SHALL THE  
9 FEES FOR SERVICES RENDERED EXCEED TWENTY-FIVE PERCENT OF THE  
10 TOTAL AMOUNT OF DELINQUENT TAXES, INCLUDING ACCRUED PENALTIES  
11 AND INTEREST, THAT IS ACTUALLY COLLECTED. ANY FEES FOR SERVICES  
12 RENDERED SHALL BE COLLECTED BY THE AGENCY OR ATTORNEY IN  
13 ADDITION TO THE TOTAL AMOUNT OF DELINQUENT TAXES, INCLUDING  
14 ACCRUED PENALTIES AND INTEREST, ACTUALLY COLLECTED. SUCH FEES  
15 FOR SERVICES RENDERED SHALL BE SHOWN TO THE TAXPAYER AS A  
16 SEPARATE AND DISTINCT ITEM, AND, WHEN ADDED, SUCH FEES FOR  
17 SERVICES RENDERED SHALL BE A DEBT FROM THE TAXPAYER TO THE  
18 AGENT OR ATTORNEY UNTIL PAID AND SHALL BE RECOVERABLE AT LAW IN  
19 THE SAME MANNER AS OTHER DEBTS.

20           (II) IF THE DEPARTMENT ENTERS INTO A CONTRACT WITH A DEBT  
21 COLLECTION AGENCY OR AN ATTORNEY TO COLLECT DELINQUENT TAXES,  
22 INCLUDING ACCRUED PENALTIES AND INTEREST, AND ANY FEES FOR  
23 SERVICES RENDERED AS SPECIFIED IN SUBPARAGRAPH (I) OF THIS  
24 PARAGRAPH (c) AND THE CONTRACT SPECIFIES THAT THE DEPARTMENT IS

1       REQUIRED TO COLLECT THE FEES FOR SERVICES RENDERED IF THE  
2       TAXPAYER CHOOSES TO PAY THE TOTAL AMOUNT OWED DIRECTLY TO THE  
3       DEPARTMENT, THE DEPARTMENT SHALL BECOME THE AGENT FOR THE  
4       AGENCY OR ATTORNEY AND COLLECT THE AGENCY'S OR ATTORNEY'S FEES  
5       FOR SERVICES RENDERED ON BEHALF OF THE AGENCY OR ATTORNEY.

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

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

26              (d) A debt collection agency or an attorney shall, pursuant to  
27      contract, remit the total amount ~~actually~~ OF DELINQUENT TAXES,

1 INCLUDING ACCRUED PENALTIES AND INTEREST, collected, less ~~fees for~~  
2 ~~services rendered~~ and allowable REIMBURSABLE costs, to the executive  
3 director within thirty days from the date the moneys are collected from  
4 the taxpayer.

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

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