

SENATE BILL 1923
By Cooper

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, Part 20 and Title 67, Chapter 5, Part 24, relative to taxation.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-2001(a)(1), is amended by adding the following paragraph:

The county trustee may, on September 1, turn over to the delinquent tax attorney a list of delinquent taxpayers with the description of the assessed property and the amount of taxes due from each. The delinquent tax attorney shall undertake all collection procedures except for the filing of suit as specified in § 67-5-2404. A taxing unit may provide that taxes remaining delinquent on September 1, of the year in which the taxes became delinquent incur an additional penalty to defray cost of collection if the unit has a contract with a delinquent tax attorney. The amount of penalty may not exceed twenty percent (20%) of the total amount of taxes due. At least thirty (30) days prior to September 1, a notice shall be sent to all delinquent taxpayers informing the taxpayers that on September 1, an additional penalty, not to exceed twenty percent (20%) shall attach to the delinquency, which penalty shall defray the cost of collection, and shall be paid as compensation to the delinquent tax attorney.

SECTION 2. Tennessee Code Annotated, Section 67-5-2007(a)(2), is amended by deleting the period "." and by substituting instead the following:

, or to the delinquent tax attorney in accordance with § 67-5-2001(a)(1).

SECTION 3. Tennessee Code Annotated, Section 67-5-2404(a)(2), is amended by deleting item (A) and by substituting instead the following:

(A) Compensation of the attorney shall be determined in advance through negotiation between the trustee and the attorney, subject to the approval of the county legislative body, but in no event shall such compensation exceed twenty percent (20%) of all delinquent land taxes collected.

SECTION 4. Tennessee Code Annotated, Section 67-5-2410(a)(1)(A), is amended by deleting the first sentence and by substituting instead the following:

(a)(1)(A) Upon the filing of suit to enforce the tax lien against real or personal property, an additional penalty of twenty percent (20%) upon all delinquent taxes shall accrue and the same is imposed upon the amount due from any defendant to the state, county or municipality, which penalty shall be devoted to the expense of prosecuting the suits.

SECTION 5. Tennessee Code Annotated, Section 67-5-2410(b)(1), is amended by deleting the first sentence and by substituting instead the following:

(B)(1) Upon the filing of suits to enforce the tax lien against real or personal property, an additional twenty percent (20%) upon all delinquent taxes shall accrue and the same is imposed upon the amount due from any defendant to the state, county or municipality, which penalty shall be devoted to the expense of prosecuting these suits and shall be allowed to the attorney filing the suits as compensation for the attorney's services.

SECTION 6. This act shall take effect July 1, 1999, the public welfare requiring it.