



State of Tennessee

PUBLIC CHAPTER NO. 522

HOUSE BILL NO. 358

By Representatives Marsh, Lamberth, Sherrell, Todd

Substituted for: Senate Bill No. 563

By Senators Bowling, Walley, Pody

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 5, relative to delinquent personal property taxes.

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

SECTION 1. Tennessee Code Annotated, Section 67-5-2004, is amended by designating the existing language as subsection (a) and adding the following:

(b)

(1)

(A) The county trustee may proceed against a taxpayer who is delinquent in the payment of tangible personal property taxes by retaining an agent to collect such delinquent tangible personal property taxes, plus interest authorized by law, reasonable costs, and legal fees, provided that the collection activities are in compliance with this subsection (b).

(B) If a collection agent is retained, the county trustee shall utilize the bidding procedures applicable to the county to select and retain the agent and shall notify the county legislative body of such action. The agent's collection fee shall not exceed thirty percent (30%) of tangible personal property taxes due, and the fee must be added to the total amount of delinquent tangible personal property taxes owed, plus interest authorized by law, reasonable costs, and legal fees.

(C) A contract or other arrangement entered into to retain a collection agent under this subsection (b) shall not provide that the compensation paid to the agent is conditioned on increasing tangible personal property tax collections in the county involved. A contract found to contain such language is void and unenforceable.

(D) An agent shall not communicate with the delinquent taxpayer or proceed upon the delinquent taxpayer's property unless authorization to take such action is provided in the contract. The agent shall not institute or undertake a collection or related activity in violation of the Tennessee Collection Service Act, compiled in title 62, chapter 20.

(E) An agent retained pursuant to this subsection (b) must be licensed and in good standing with the Tennessee collection service board.

(F) All foreclosures, seizures, litigation, or other judicial or non-judicial proceedings to enforce a tax lien or any similar rights to collect delinquent tangible personal property taxes, plus interest authorized by law, reasonable costs, and legal fees, must be in the name of the taxing jurisdiction as the plaintiff or claimant.

(G) An agent who also performs audit procedures shall not be retained to collect delinquent tangible personal property taxes under this section.

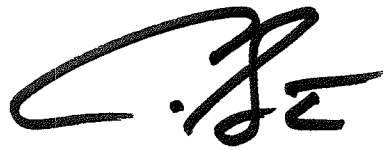
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(2) This subsection (b) is repealed on July 1, 2024.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

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PASSED: May 3, 2021



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 25th day of May 2021



BILL LEE, GOVERNOR