

1 SB454  
2 130449-1  
3 By Senator Whatley  
4 RFD: Finance and Taxation Education  
5 First Read: 27-APR-11

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8 SYNOPSIS: This bill would authorize a county  
9 commission to contract with third parties for the  
10 noncompliance detection of previously unknown and  
11 unpaid personal property ad valorem taxes. The  
12 noncompliance detection of personal property ad  
13 valorem taxes would not include the assessment or  
14 auditing of taxpayer records.

15 This bill would provide for the distribution  
16 of the third-party fees for the noncompliance  
17 detection to be apportioned among the entities that  
18 share in the personal property ad valorem tax  
19 revenues and would allow the third-party fees to be  
20 deducted from revenues generated from the  
21 previously unknown and unpaid revenues discovered  
22 by the third party prior to remitting the collected  
23 monies to the appropriate entity as directed by the  
24 county commission.

25  
26 A BILL  
27 TO BE ENTITLED

1 AN ACT

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3 To add Section 40-5-34.1 to the Code of Alabama  
4 1975, to authorize each county commission to contract with  
5 third parties to provide noncompliance detection of previously  
6 unknown and unpaid personal property ad valorem taxes; to  
7 provide that the noncompliance detection would not include the  
8 assessment or auditing of taxpayer records; to provide for the  
9 distribution of the third-party fees among the entities that  
10 share in the tax revenues; and to allow the third-party fees  
11 to be deducted from revenues discovered by the third party  
12 prior to remitting the collected monies to the appropriate  
13 entity as directed by the county commission.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. Section 40-5-34.1 is added to the Code of  
16 Alabama 1975, to read as follows:

17 §40-5-34.1

18 The county commission of a county may contract with  
19 third parties for the noncompliance detection of any person or  
20 property that has not been assessed with the tax or taxes  
21 lawfully chargeable to such person or property. The  
22 noncompliance detection of personal property taxes shall not  
23 include the assessment or auditing of taxpayer records  
24 conducted by the tax assessor, the tax collector, or the  
25 Revenue Commissioner as otherwise provided by law.  
26 Notwithstanding any provisions of law to the contrary, the  
27 third-party fees for noncompliance detection may be

1       apportioned among the entities that share in the personal  
2       property ad valorem revenues and may be deducted from revenues  
3       generated from the previously unknown and unpaid revenues  
4       discovered by the third party prior to remitting collected  
5       monies to the appropriate entity as directed by the county  
6       commission.

7               Section 2. This act shall become effective on the  
8       first day of the third month following its passage and  
9       approval by the Governor, or its otherwise becoming law.