

2023 Regular Session

HOUSE BILL NO. 422

BY REPRESENTATIVE MARCELLE

REVENUE DEPARTMENT: Limits the fees assessed by the office of debt recovery on delinquent debt that originates from certain criminal fines, fees, and costs

1 AN ACT

2 To amend and reenact R.S. 47:1676(C)(2)(a), (E), and (G)(1) and (4), relative to debt  
3 recovery; to limit the additional fees assessed by the office of debt recovery assessed  
4 on the collection of criminal fines, fees, and costs; to provide for an effective date;  
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1676(C)(2)(a), (E), and (G)(1) and (4) are hereby amended and  
8 reenacted to read as follows:

9 §1676. Debt recovery

10 \* \* \*

11 C.

12 \* \* \*

13 (2)(a) Agencies that do not have collection contracts with the attorney  
14 general's office for the collection of delinquent debts shall refer all delinquent debts  
15 to the office as provided by rule. Such referrals shall include data and information  
16 in the required format necessary to institute collection procedures. All delinquent  
17 debts shall be authenticated by the agency or officer prior to being referred to the  
18 office. Once the debt becomes final, and prior to referral to the office, the agency  
19 shall notify the debtor that failure to pay the debt in full within sixty days shall  
20 subject the debt to an additional collection fee as provided for in this Section.

1        However, the additional collection fee authorized by this Section for any debt that  
 2        originated from a criminal fine, fee, or cost shall not exceed fifteen percent of the  
 3        total liability of the final debt. All agencies shall refer non-final delinquent debts to  
 4        the attorney general's office for collection when the debt has been delinquent for  
 5        sixty days pursuant to the referral guidelines established by the attorney general as  
 6        incorporated into agreements between the attorney general and other agencies or  
 7        pursuant to the rules promulgated by the attorney general pursuant to the  
 8        Administrative Procedure Act. Such non-final delinquent debts shall be  
 9        authenticated by the agency prior to their referral to the attorney general.

\* \* \*

11        E. The office shall charge the debtor a fee not to exceed twenty-five percent  
 12        of the total liability of debt which has become final after the initial effective date of  
 13        this Section. The amount of the fee shall be established by rule promulgated by the  
 14        department and shall be uniformly applied to all debts. The fee authorized pursuant  
 15        to the provisions of this Subsection for any debt that originated from a criminal fine,  
 16        fee, or cost shall not exceed fifteen percent of the total liability of the final debt.  
 17        Fees collected under this Subsection shall be retained by the office after the debt is  
 18        collected and shall be divided in accordance with an agreement between the office  
 19        and the office of the attorney general after payment of costs set forth in the  
 20        agreement. Monies collected by the office pursuant to the provisions of this Section  
 21        shall be transferred to the referring agency within thirty days after the end of the  
 22        month in which the monies were collected and shall be used, subject to an annual  
 23        appropriation, by the referring agency as they would have been had they been timely  
 24        collected. ~~However, any monies collected for delinquent debt as a result of~~  
 25        ~~nonpayment of tax liabilities pursuant to Title 47 of the Louisiana Revised Statutes~~  
 26        ~~of 1950, as amended, after deposit into the state general fund, the first five million~~  
 27        ~~dollars shall be appropriated by the legislature beginning in Fiscal Year 2013-2014,~~  
 28        ~~and for four consecutive fiscal years thereafter, to the office of state police for a~~  
 29        ~~training academy class.~~

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**DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 422 Original

2023 Regular Session

Marcelle

**Abstract:** Limits the additional collection fee assessed by the office of debt recovery on delinquent debts that originate from certain criminal fines, fees, and costs to no more than 15% of the total liability of the final debt.

Present law establishes the office of debt recovery (office) within the Dept. of Revenue (DOR) for the purpose of collecting taxes payable to DOR and to collect certain delinquent debts on behalf of other state agencies. Present law requires agencies that do not have a collection contract with the attorney general's office for the collection of delinquent debts to refer all delinquent debts to the office.

Present law provides that once a debt becomes final, prior to referral to the office, the agency imposing the debt shall notify the debtor that failure to pay the debt within 60 days shall subject the debt to additional collection fees as provided in present law.

Present law authorizes the office to charge the debtor a fee not to exceed 25% of the total delinquent debt liability which becomes final.

Proposed law retains present law but limits the additional fee that may be collected by the office for any debt that originates from a criminal fine, fee, or cost to no more than 15% of the total liability of the final debt.

Proposed law is applicable to final delinquent debt referred to the office of debt recovery by an agency on and after Jan. 1, 2023, which has not yet been fully collected by the office of debt recovery.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:1676(C)(2)(a), (E), and (G)(1) and (4))