

Existing law establishes the Department of Revenue (DOR) and provides for its organization and all of the offices of which it is comprised.

New law retains present law and adds the office of debt recovery (office) within DOR for the purpose of collecting taxes payable to DOR, and under certain circumstances, to collect delinquent debts, accounts, or claims due on behalf of all other state agencies.

New law requires that all debts owed to any executive branch agency of the state be referred to either the office or the attorney general (AG) for collection.

New law provides for the specific circumstances under which a debt shall be referred to DOR or to the AG, as well as time lines and procedures related thereto. New law provides for the authority of the office to collect delinquent debts. Further, the office is required to evaluate and recommend any uncollectible debt for sale or securitization in accordance with existing law after the office exercises and employs its collection methods and tools.

New law provides for definitions of "delinquent debt", "final debt", and "non-final delinquent debt".

New law requires the office to charge the debtor a fee not to exceed 25% of the total delinquent debt liability which becomes final after the effective date of new law. Such fees shall be divided between the office and the AG after the payment of costs, all as provided for in an agreement between the office and the AG.

New law provides with respect to the transfer of money collected to the referring agency and provides that such monies shall be considered self-generated revenues of the agency, with the exception of money collected for non-payment of Title 47 tax liabilities which shall be deposited into the state general fund. An amount equal to the first \$5 million in such collections deposited into the state general fund shall be appropriated, beginning in Fiscal Year 2013-2014, and for four consecutive fiscal years thereafter, to the Office of State Police for a training academy class.

New law authorizes the secretary of DOR to contract for outside "legal services" after first having requested assistance from the AG.

New law authorizes the office to submit a request for the suspension, revocation or denial of any type of professional or other license, permit, or certification to the entity or body that regulates them. New law provides that the Louisiana Supreme Court is requested to consider rules and regulations relative to attorneys licensed to practice law for such purposes.

New law authorizes state agencies to transmit data to the office as necessary to aid in collection efforts. The secretary of DOR shall establish and maintain a centralized electronic debt registry to compile the data. New law provides for the confidential nature of the data, and authorizes limited access to the data by other agencies, as well as the disclosure of specific data pursuant to a public record request.

New law requires DOR to promulgate rules and regulations in accordance with the APA to implement the provisions of new law.

New law authorizes the secretary of DOR to enter into reciprocal collection and offset of indebtedness agreements with the federal government.

New law requires that the operations of the office be subject to annual review by the Cash Management Review Board.

New law authorizes DOR to establish and use an electronic "financial institution data match system" for comparison of certain account information held by financial institutions with DOR and office's databases of state tax and state non-tax debtors against whom an assessment or judgment for debt owed to the state has become final. Financial institutions are required

to provide to DOR certain specific personal identification and account data for each account owner who maintains an account at the institution and who the office purports is a tax or non-tax debtor. If a financial institution has a current data match system developed or used to comply with the child support data match system, the financial institution may use that system to comply with the provisions of new law. Further, new law provides for compliance requirements for La. domiciled financial institutions having no branch offices outside the state for purposes of the transmission of data match files.

New law requires DOR to pay a participation fee to each financial institution that actually receives a data match request file. The participation fee shall be for actual costs incurred for conducting the data match. New law provides for the requirements for and mechanism of paying the fee.

New law provides that any fee which a financial institution may assess upon its customer for processing a state tax or non-tax levy received from DOR shall be collected by the financial institution from the proceeds of the customer's account before any account proceeds are remitted to DOR to satisfy the state tax or non-tax levy.

New law authorizes a financial institution to disclose to its account holders that DOR has the authority to request and receive certain identifying information for state tax and non-tax debt collection purposes.

New law limits the liability of a financial institution, its directors, officers, employees, or other agents, with respect to the provision of account information to DOR as required by new law.

New law requires that DOR reconcile and track data regarding the number of sent data match request files, received completed data match accounts, and amounts paid to a financial institution. Statistical information regarding financial data match activities shall be reported to the commissioner of administration or his designee every six months, and shall be reported to the each year to the Joint Legislative Committee on the Budget prior to the last day of each regular session.

Effective June 17, 2013.

(Amends R.S. 6:333(B)(intro. para.) and R.S. 36:451(C); Adds R.S. 6:333(F)(18), R.S. 36:458(H), and R.S. 47:1508(B)(33), 1676, 1676.1, and 1677)