HLS 161ES-243 ORIGINAL

2016 First Extraordinary Session

HOUSE BILL NO. 111

BY REPRESENTATIVE MARCELLE

FUNDS/FUNDING: To eliminate the Debt Recovery Fund (Item #7)

1 AN ACT

2 To amend and reenact R.S. 32:8(B) and R.S. 47:1676(E)(1) and to repeal R.S. 47:1676(E)(2)

and (3), relative to the elimination of the Debt Recovery Fund; to provide for the

elimination of the Debt Recovery Fund; to provide for nullification of appropriations

from the Debt Recovery Fund; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

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Section 1. R.S. 32:8(B) is hereby amended and reenacted to read as follows:

§8. Final delinquent debt; office of motor vehicles

9 * * *

B. The office of motor vehicles shall refer all final delinquent debts to the office of debt recovery as provided in R.S. 47:1676. Final delinquent debt referrals shall include data and information in the required format necessary to institute collection procedures. All delinquent debts shall be authenticated by the office of motor vehicles prior to being referred to the office of debt recovery. Once the delinquent debt becomes final, and prior to referral to the office of debt recovery, the office of motor vehicles shall notify the debtor in writing that failure to pay the debt in full within sixty days shall subject the debt to the maximum amount owed together with the additional fee collected by the office of debt recovery provided for in R.S. 47:1676. All funds collected pursuant to the provisions of this Act shall be

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	deposited into the Debt Recovery Fund and utilized for the office of state police in
2	the amount of twenty-five million dollars.
3	* * *
4	Section 2. R.S. 47:1676(E)(1) is hereby amended and reenacted to read as follows:
5	§1676. Debt recovery
6	* * *
7	E.(1) The office shall charge the debtor a fee not to exceed twenty-five
8	percent of the total liability of debt which has become final after the initial effective
9	date of this Section. The amount of the fee shall be established by rule promulgated
10	by the department and shall be uniformly applied to all debts. Fees collected under
11	this Subsection shall be retained by the office after the debt is collected and shall be
12	divided in accordance with an agreement between the office and the office of the
13	attorney general after payment of costs set forth in the agreement. Monies collected
14	by the office pursuant to the provisions of this Section shall be transferred to the
15	Debt Recovery Fund referring agency within thirty days after the end of the month
16	in which the monies were collected and shall be used by the referring agency as they
17	would have been had they been timely collected. However, any monies collected for
18	delinquent debt as a result of nonpayment of tax liabilities pursuant to Title 47 of the
19	Louisiana Revised Statutes of 1950, as amended, after deposit into the state general
20	fund, the first five million dollars shall be appropriated by the legislature beginning
21	in Fiscal Year 2013-2014, and for four consecutive fiscal years thereafter, to the
22	office of state police for a training academy class.
23	* * *
24	Section 3. R.S. 47:1676(E)(2) and (3) are hereby repealed in their entirety.
25	Section 4. The appropriation contained in Act 16 (House Bill No. 2) of the 2015
26	Regular Session of the Legislature out of the State General Fund by statutory dedications out
27	of the Debt Recovery Fund to the Department of Transportation and Development for the
28	Highway Program and the Secretary's Emergency Fund is null and void and of no effect and
29	the state treasurer is ordered to refuse to honor any warrant drawn upon such appropriation.

- 1 Section 5. This Act shall become effective upon signature by the governor or, if not
- 2 signed by the governor, upon expiration of the time for bills to become law without signature
- 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
- 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 5 effective on the day following such approval.

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)]

HB 111 Original

2016 First Extraordinary Session

Marcelle

Abstract: Eliminates the Debt Recovery Fund. Provides that monies in the fund will revert to the agency which referred the debt. Nullifies current fiscal year appropriations from the fund to the Dept. of Transportation and Development.

<u>Present law</u> authorizes the Dept. of Public Safety and Corrections, office of motor vehicles, to collect certain fees related to suspension of an operator's license (R.S. 32:57.1) and automobile insurance requirement violations (R.S. 32:863 and 863.1). Further provides that such fees are due within 60 days of the date of the notice to pay these fees and that after 60 days these fees shall be considered final delinquent debt.

<u>Present law</u> requires the office of motor vehicles to refer all final delinquent debt to the office of debt recovery within the Dept. of Revenue for collection.

Proposed law retains present law.

<u>Present law</u> provides for the deposit of monies from the collection of delinquent debt by the office of debt recovery be deposited into the Debt Recovery Fund. After satisfying warrants drawn upon the fund for the return of nonstate monies, unexpended and unencumbered monies in the fund at the end of a fiscal year shall remain in the fund unless appropriated.

<u>Proposed law</u> eliminates the Debt Recovery Fund and requires that monies collected by the office of debt recovery be transferred to the state agency which referred delinquent debt to the office of debt recovery for collection within 30 days of the collection.

<u>Present law</u> provides for appropriation of monies deposited into the Debt Recovery Fund as a result of the collection of fees owed to the office of motor vehicles to be appropriated to the Dept. of Transportation and Development for the Highway Program and the Secretary's Emergency Fund (Act 16 (House Bill No. 2) of the 2015 Regular Session of the Legislature).

Proposed law nullifies present law appropriation.

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

(Amends R.S. 32:8(B) and R.S. 47:1676(E)(1); Repeals R.S. 47:1676(E)(2) and (3))