

2016 Regular Session

HOUSE BILL NO. 801

BY REPRESENTATIVE BROADWATER

REVENUE DEPARTMENT: Authorizes the office of debt recovery to suspend or deny certain licenses under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 47:1676(C)(2)(b), (D)(3), and (G) and to enact R.S. 37:2953,  
3 relative to debt recovery; to authorize the office of debt recovery to suspend or deny  
4 renewal of certain licenses; to provide for notice; 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. 37:2953 is hereby enacted to read as follows:

8 §2953. Delinquent state debt; effect on trade, occupation, and professional  
9 licensing

10 A. Regardless of requirements for the issuance or renewal of a trade,  
11 occupational, or professional license or grounds for suspension or revocation thereof,  
12 all trade, occupational, or professional licensees are subject to the provisions of R.S.  
13 47:1676, pursuant to the suspension of license for delinquent state debt.

14 B. The legislature recognizes the judicial power vested in the state supreme  
15 court pursuant to Article V, Section 1 of the Constitution of Louisiana and,  
16 accordingly, urges and requests the supreme court to adopt rules and regulations  
17 effecting the suspension of licenses to practice law consistent with the provisions of  
18 R.S. 9:315.30 et seq. In cases wherein the obligor is an attorney licensed to practice  
19 law in this state, a judgment or order indicating noncompliance with an order of



1 ~~kind of work being performed in Louisiana.~~ Delinquent debt shall be grounds for  
 2 denying an application for, an application for the renewal of, or the suspension of  
 3 any license, permit, or certificate required by the state of Louisiana, or any of its  
 4 departments, offices, agencies, and boards. The denial or suspension shall be  
 5 effective until the debtor has paid or made arrangements to pay the delinquent debt  
 6 to the office. The office shall notify the department, office, agency, or board that  
 7 referred the debt of the payment or arrangement to pay.

8 (ii) The secretary of the Department of Revenue shall adopt and promulgate  
 9 rules and regulations in accordance with the provisions of the Administrative  
 10 Procedures Act to effectuate the orderly and expeditious suspension and denial of  
 11 renewal and reissuance of any license, permit, or certificate in accordance with the  
 12 provisions of this Subparagraph.

13 (c) In exercising the authority provided for in this Paragraph or in R.S.  
 14 47:296.2 or 296.3, the office may assume the obligation for the payment of such  
 15 services in order to collect delinquent debt.

16 (d) The legislature hereby recognizes the judicial power vested in the state  
 17 supreme court pursuant to Article V, Section I of the Constitution of Louisiana to  
 18 regulate the practice of law and accordingly, and requests that the supreme court  
 19 consider rules and regulations relative to attorneys licensed to practice law consistent  
 20 with the provisions of this Chapter.

21 \* \* \*

22 G. ~~Agencies may exercise the following procedures, in (1) In combination~~  
 23 ~~with its own statutes or as a standalone procedure, to make any debt owed to the~~  
 24 ~~agency a final delinquent debt that is collectible by the office.~~ office, agencies may  
 25 exercise the following procedures:

26 (a) Once an agency determines a debt is owed, it shall send the debtor an  
 27 initial notice of the debt which requests payment, outlines any additional information  
 28 necessary to identify the nature of the debt and the amount due, and notifies the  
 29 debtor that failure to pay the debt in full within sixty days shall subject the debt to

1 be transferred to the office for collection of the maximum amount owed with an  
2 additional collection fee added to the debt.

3 ~~(2)~~ (b) If, after thirty days from the date of the initial notification, the debtor  
4 has failed to pay the debt owed, the agency shall send a second notice to the debtor  
5 with the same information required in Paragraph (1) of this Subsection.

6 ~~(3)~~ (c) If the debt remains unpaid sixty days after the date of the initial  
7 notice, the debt shall be considered a final delinquent debt and shall be owed to the  
8 state and collectible by the office.

9 ~~(4)~~ (d) If an agency utilizes the procedures above and transfers the final  
10 delinquent debt to the office for collection, in lieu of any other notice, the office shall  
11 send the debtor a notice informing the debtor of the debt's transfer to its office for  
12 collection and of the additional collection fee that shall be added to the debt.

13 (2) An agency shall deny an application for, an application for the renewal  
14 of, or the suspension of any license, permit, or certificate of a debtor in accordance  
15 with the provisions of Subparagraph (D)(3)(b) of this Section, and the rules and  
16 regulations promulgated by the secretary.

17 \* \* \*

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

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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 801 Original

2016 Regular Session

Broadwater

**Abstract:** Authorizes the office of debt recovery to suspend or deny certain licenses in collection of delinquent debts.

Present law establishes the office of debt recovery in the Dept. of Revenue.

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

Present law authorizes the office of debt recovery 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.

Proposed law establishes delinquent debt that has been referred to the office of debt recovery as grounds for denying an application for or renewal of, or suspension of, a professional or occupational license.

Proposed law changes present law and authorizes the office of debt recovery to cause to be suspended or denied any type of professional or other license, permit, or certification, other than those for which the La. Sup. Ct. has jurisdiction over.

Effective upon signature of the governor.

(Amends R.S. 47:1676(C)(2)(b), (D)(3), and (E); Adds R.S 37:2953)