
The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas F. Wade.

SB 387 Engrossed

DIGEST
2016 Regular Session

Cortez

Present law requires the office of motor vehicles to refer all final delinquent debts to the office of debt recovery. Further requires the office of motor vehicles to provide written notice to all debtors whose debt have become final before final debts are referred to the office of debt recovery informing the debtor that if the debt is not paid within 60 days that additional collection fees will be charged.

Proposed law retains present law but changes the reference from "all final delinquent debt" to "final debt" and requires that the notice of final debt be in writing and sent by certified or registered mail, return receipt requested, and include all available payment options, including an installment agreement, that the debtor has 60 days from the date of receipt of the notice to contact the office of motor vehicles to make arrangements to pay or to contest the debt and request an administrative hearing, or pay the amount owed in full, and the consequences of failure to take such steps.

Present law defines "debt" as any legally collectible liquidated sum due and owed to the Dept. of Public Safety and Corrections, office of motor vehicles pursuant to present law. Proposed law adds installment agreements to the definition. Present law further defines "delinquent debt" as a debt that is sixty days or more past due. Proposed law retains this definition. Present law further defines "final" to mean the amount due is no longer negotiable and the debtor has no further right of administrative and judicial review. Proposed law defines "final debt" to mean any debt in which the debtor has no further administrative or judicial review rights to challenge the validity of the debt or the amount owed.

Proposed law provides that no fee for a debt as defined by proposed law incurred for a violation on or before June 30, 2014, shall exceed the fee amounts in effect prior the 2014 fee amount changes. Further provides that prior to July 1, 2017, the office of motor vehicles shall take no action to declare as final debt or refer any final debt to the office of debt recovery that arises from a debtor's failure to pay a fee pursuant to provisions of law relative to failure to honor a written promise to appear or failure to possess evidence of compulsory motor vehicle liability security.

Proposed law further provides for collection and payment procedures to be followed by the office of motor vehicles, and provides that upon exhaustion of the procedures that the office transfer the debt for collection by the office of debt recovery.

Present law authorizes the office of debt recovery to use any collection remedy provided by state law.

Proposed law clarifies that settlement agreements and installment agreements are among the collection tools available to the office of debt recovery.

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

(Amends R.S. 32:8 and R.S. 47:1676(D)(1); adds R.S. 32:9)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Transportation, Highways, and Public Works to the original bill

1. Adds installment agreements to the definition of "debt".
2. Clarifies definition of "final debt" to provide the debtor has no further right to challenge the validity of the debt or the amount owed.
3. Requires the office of motor vehicles to notify the debtor in writing by certified or registered mail, return receipt requested and provides collection and payment procedure to be implemented by the office of motor vehicles.
4. Provides that no fee for a debt as defined by proposed law incurred for a violation on or before June 30, 2014, shall exceed the fee amounts in effect prior the 2014, fee amount changes.
5. Provides that prior to July 1, 2017, the office of motor vehicles shall take no action to declare as final debt or refer any final debt to the office of debt recovery that arises from a debtor's failure to pay a fee pursuant to provisions of law relative to failure to honor a written promise to appear or failure to possess evidence of compulsory motor vehicle liability security.
6. Makes technical changes.