

2019 Regular Session

SENATE BILL NO. 37

BY SENATOR PEACOCK

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/TAXATION. Authorizes the office of debt recovery to collect delinquent debts on behalf of local government subdivisions. (8/1/19)

1 AN ACT

2 To amend and reenact R.S. 47:299.2(1)(d), and (3), 299.11(9), and 1676(B)(3) and to enact
3 R.S. 1676(B)(1.1), relative to delinquent debt collection; to authorize all units of
4 local government to participate in the income tax refund offset program; to provide
5 limitations for debt related to school meals; to authorize all units of local government
6 to refer delinquent debt to the Office of Debt Recovery; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:299.2(1)(d), and (3), 299.11(9), and 1676(B)(3) are hereby
10 amended and reenacted and R.S. 47:1676(B)(1.1) is hereby enacted to read as follows:

11 §299.2. Definitions

12 For purposes of this Part, the following words, terms, and phrases have the
13 meaning ascribed to them by this Section unless the context clearly indicates a
14 different meaning:

15 (1) * * *

16 (d) "Agency" shall also mean a municipality, parish, or any **other unit of**
17 **local government, authorized by law to perform governmental functions,**

1 **including a school board, and a special district, or any** entity which submits
2 claims on behalf of the municipality, ~~or parish,~~ **or other unit of local government.**

3 * * *

4 (3) "Debt" means any legally collectible, liquidated sum due and owing an
5 agency, or due and owing a person and collectible by any agency, or a judgment,
6 order of the court, or bond forfeiture which is properly certified by the clerk and
7 which orders the payment of a fine or other court ordered penalty, if the amount of
8 the debt is twenty-five dollars or more. **"Debt" shall not include any amount due**
9 **for an unpaid public elementary or secondary school meal balance.**

10 * * *

11 §299.11. Ranking and priority of claims

12 If two or more agencies file offset claims with the secretary against an
13 individual's refund, the secretary shall remit the refund to the claimants if sufficient
14 funds exist in the following order with the first offset claim to be paid being
15 completely satisfied before a second or subsequent offset claim is paid:

16 * * *

17 (9) Claims made by ~~a municipality or a parish,~~ **parish, or any other unit of**
18 **local government, authorized by law to perform governmental functions,**
19 **including a school board and a special district.**

20 * * *

21 §1676. Debt recovery

22 * * *

23 B. For purposes of this Section, the following words shall have the following
24 meanings unless the context clearly indicates otherwise:

25 * * *

26 **(1.1) "Agency" shall also mean any municipality, parish, or any other**
27 **unit of local government, authorized by law to perform governmental functions,**
28 **including school boards and special districts. Notwithstanding any provision of**
29 **this Section to the contrary, local government subdivisions shall be permitted**

Proposed law retains present law priority for municipalities and parishes and adds all other local government units authorized to perform governmental functions, including a school board or special district to this priority level.

Present law requires state agencies to refer certain delinquent debts to the Office of Debt Recovery for collection.

Proposed law retains present law for state agencies and authorizes all units of local government to refer final delinquent debts to the Office of Debt Recovery for collection.

Present law defines debt as any legally collectible, liquidated sum due and owing an agency and provides for exceptions.

Proposed law retains present law exceptions from the definition of debt and further provides that an unpaid balance for public elementary and secondary school meals will not be considered debt that may be referred to the office of debt recovery.

Effective August 1, 2019.

(Amends R.S. 47:299.2(1)(d), (3), 299.11(9), and 1676(B)(3); adds R.S. 47:1676(B)(1.1))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Adds exceptions to debt collection programs for unpaid school meals.
2. Makes technical changes.