

2022 Regular Session

HOUSE BILL NO. 485

BY REPRESENTATIVE MARCELLE

REVENUE DEPARTMENT: Provides relative to the collection of certain criminal fines, fees, and costs

1 AN ACT

2 To amend and reenact R.S. 47:1676(C)(2)(a) and (3), (E), and (G)(1) and (4) and to repeal
3 R.S. 47:1676(C)(4), relative to debt recovery; to exclude certain criminal fines, fees,
4 and costs from additional fees assessed by the office of debt recovery; and to provide
5 for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:1676(C)(2)(a) and (3), (E), and (G)(1) and (4) are hereby
8 amended and reenacted to read as follows:

9 §1676. Debt recovery

10 * * *

11 C.

12 * * *

13 (2)(a) Agencies that do not have collection contracts with the attorney
14 general's office for the collection of delinquent debts shall refer all delinquent debts
15 to the office as provided by rule. Such referrals shall include data and information
16 in the required format necessary to institute collection procedures. All delinquent
17 debts shall be authenticated by the agency or officer prior to being referred to the
18 office. Once the debt becomes final, and prior to referral to the office, the agency
19 shall notify the debtor that failure to pay the debt in full within sixty days shall
20 subject the debt to an additional collection fee as provided for in this Section.

1 However, any debt that originates from a criminal fine, fee, or cost shall not be
2 subject to any additional collection fees. All agencies shall refer non-final
3 delinquent debts to the attorney general's office for collection when the debt has been
4 delinquent for sixty days pursuant to the referral guidelines established by the
5 attorney general as incorporated into agreements between the attorney general and
6 other agencies or pursuant to the rules promulgated by the attorney general pursuant
7 to the Administrative Procedure Act. Such non-final delinquent debts shall be
8 authenticated by the agency prior to their referral to the attorney general.

9 * * *

10 (3) ~~At the discretion of the secretary, the department may contract with the~~
11 ~~attorney general's office or a third-party collection contractor for the collection of~~
12 ~~delinquent debt on behalf of the office. However, any contract entered into by the~~
13 ~~secretary for the collection of delinquent debt on behalf of the state shall be subject~~
14 ~~to review by the Cash Management Review Board. Additionally, the legislative~~
15 ~~auditor shall have authority to conduct audits of such contracts in accordance with~~
16 ~~the law.~~

17 (4) If, in the course of collecting delinquent debt, the secretary determines
18 that the office requires the additional assistance of legal counsel, the secretary shall
19 first seek assistance from the office of the attorney general. If the office of the
20 attorney general is unable to or declines to offer legal counsel, the secretary is
21 authorized to contract with a third party for such services. Additionally, the
22 legislative auditor shall have authority to conduct audits of such contracts in
23 accordance with the law.

24 * * *

25 E. The office shall charge the debtor a fee not to exceed twenty-five percent
26 of the total liability of debt which has become final after the initial effective date of
27 this Section. The amount of the fee shall be established by rule promulgated by the
28 department and shall be uniformly applied to all debts. The fee authorized pursuant
29 to the provisions of this Subsection shall not apply to any debt that originated as a

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscoring
are additions.

1 criminal fine, fee, or cost. Fees collected under this Subsection shall be retained by
 2 the office after the debt is collected and shall be divided in accordance with an
 3 agreement between the office and the office of the attorney general after payment of
 4 costs set forth in the agreement. Monies collected by the office pursuant to the
 5 provisions of this Section shall be transferred to the referring agency within thirty
 6 days after the end of the month in which the monies were collected and shall be used,
 7 subject to an annual appropriation, by the referring agency as they would have been
 8 had they been timely collected. However, any monies collected for delinquent debt
 9 as a result of nonpayment of tax liabilities pursuant to Title 47 of the Louisiana
 10 Revised Statutes of 1950, as amended, after deposit into the state general fund, the
 11 first five million dollars shall be appropriated by the legislature beginning in Fiscal
 12 Year 2013-2014, and for four consecutive fiscal years thereafter, to the office of state
 13 police for a training academy class.

* * *

15 G. Agencies may exercise the following procedures, in combination with its
 16 own statutes or as a standalone procedure, to make any debt owed to the agency a
 17 final delinquent debt that is collectible by the office.

18 (1) Once an agency determines a debt is owed, it shall send the debtor an
 19 initial notice of the debt which requests payment, outlines any additional information
 20 necessary to identify the nature of the debt and the amount due, and notifies the
 21 debtor that failure to pay the debt in full within sixty days shall subject the debt to
 22 be transferred to the office for collection of the maximum amount owed with an
 23 additional collection fee added to the debt. No additional collection fee shall be
 24 added to any debt that originated as a criminal fine, fee, or cost.

* * *

26 (4) If an agency utilizes the procedures above and transfers the final
 27 delinquent debt to the office for collection, in lieu of any other notice, the office shall
 28 send the debtor a notice informing the debtor of the debt's transfer to its office for
 29 collection and of the additional collection fee that shall be added to the debt. No

1 additional collection fee shall be added to any delinquent debt if the debt originated
2 as a criminal fine, fee, or cost.

3 * * *

4 Section 2. R.S. 47:1676(C)(4) is hereby repealed in its entirety.

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 485 Original

2022 Regular Session

Marcelle

Abstract: Excludes certain criminal fines, fees, and costs from the additional costs assessed by the office of debt recovery when a debt becomes delinquent.

Present law establishes the office of debt recovery (office) within the Department of Revenue (DOR) for the purpose of collecting taxes payable to DOR and to collect certain delinquent debts on behalf of other state agencies.

Present law provides that agencies that do not have a collection contract with the attorney general's office for the collection of delinquent debts shall refer all delinquent debts to the office.

Present law provides that once a debt becomes final, prior to referral to the office, the agency imposing the debt shall notify the debtor that failure to pay the debt within 60 days shall subject the debt to additional collection fees as provided in present law.

Proposed law provides that any debt that originates from a criminal fine, fee, or cost shall not be subject to any additional collection fees.

Present law provides that at the discretion of the secretary of DOR, DOR may contract with the attorney general's office or a third-party collection contractor for the collection of delinquent debt on behalf of the office. Further provides that any contract entered into with a third-party collector shall be subject to review by the Cash Management Review Board and the legislative auditor shall have authority to conduct audits of such contracts in accordance with present law.

Proposed law repeals present law.

Present law authorizes the office to charge the debtor a fee not to exceed 25% of the total delinquent debt liability which becomes final.

Proposed law provides that the fee shall not apply to any debt that originated as a criminal fine, fee, or cost.

(Amends R.S. 47:1676(C)(2)(a) and (3), (E), and (G)(1) and (4); Repeals R.S. 47:1676(C)(4))