

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 485** HLS 22RS 834

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 28, 2022 10:25 AM	<b>Author:</b> MARCELLE
<b>Dept./Agy.:</b> Department of Revenue	<b>Analyst:</b> Prashant Sastry
<b>Subject:</b> Collection of Criminal Fines, Fees and Costs	

REVENUE DEPARTMENT OR DECREASE GF RV See Note  
Provides relative to the collection of certain criminal fines, fees, and costs

Proposed law excludes certain criminal fees, fines, and costs to be subject to any additional collection fees assessed by the office of debt recovery when the debt becomes delinquent. Proposed law provides that a debtors' fee charged by the office shall not apply to any debt that originated as a criminal fine, fee, or cost. Proposed law repeals the present law that provides that the secretary of the Department of Revenue 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.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. While the proposed law does not directly impact state governmental expenditures, it does exclude the 25% collection fee from being assessed to any debt that originates from a criminal fine, fee, or cost. Presently, ODR charges up to a 25% collection fee on all delinquent debt and utilizes collection fees to cover 100% of the office's operational costs, which includes funding for mailing notices, letters, statements, certified offset letters, and outside collection agencies (OCA).

**REVENUE EXPLANATION**

The proposed law reduces state general fund revenue and self-generated revenue within ODR as a result of excluding certain criminal fines, fees, and costs from the assessed 25% collection fee. ODR reports that 94% of the current debt inventory would be classified as criminal. The Legislative Fiscal Office cannot reasonably determine the percentage of delinquent debt that would be considered criminal. The 2020-2021 Annual Tax Collection Report states that ODR collected a total of \$40,899,760, which includes \$8,663,705 of self-generated revenue. The majority of delinquent debt revenue collected in FY 21 originated from the Office of Motor Vehicles (\$37.5 M) and the Department of Corrections (\$1.02 M).

The elimination of collection fees for debt originating from criminal fines and fees would severely restrict ODR's ability to collect this debt. ODR reports that they would no longer be able to accept this type of debt for collection and that they would deem the debt uncollectable.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**