

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), (E), and (G)(1) and (4), relative to debt
3 recovery; to limit the additional fees assessed by the office of debt recovery assessed
4 on the collection of criminal fines, fees, and costs; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

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

8 §1676. Debt recovery

9 * * *

10 C.

11 * * *

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

1 originated from a criminal fine, fee, or cost shall not exceed ten percent of the total
2 liability of the final debt. All agencies shall refer non-final delinquent debts to the
3 attorney general's office for collection when the debt has been delinquent for sixty
4 days pursuant to the referral guidelines established by the attorney general as
5 incorporated into agreements between the attorney general and other agencies or
6 pursuant to the rules promulgated by the attorney general pursuant to the
7 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 E. The office shall charge the debtor a fee not to exceed twenty-five percent
11 of the total liability of debt which has become final after the initial effective date of
12 this Section. The amount of the fee shall be established by rule promulgated by the
13 department and shall be uniformly applied to all debts. The fee authorized pursuant
14 to the provisions of this Subsection for any debt that originated from a criminal fine,
15 fee, or cost shall not exceed ten percent of the total liability of the final debt. Fees
16 collected under this Subsection shall be retained by the office after the debt is
17 collected and shall be divided in accordance with an agreement between the office
18 and the office of the attorney general after payment of costs set forth in the
19 agreement. Monies collected by the office pursuant to the provisions of this Section
20 shall be transferred to the referring agency within thirty days after the end of the
21 month in which the monies were collected and shall be used, subject to an annual
22 appropriation, by the referring agency as they would have been had they been timely
23 collected. However, any monies collected for delinquent debt as a result of
24 nonpayment of tax liabilities pursuant to Title 47 of the Louisiana Revised Statutes
25 of 1950, as amended, after deposit into the state general fund, the first five million
26 dollars shall be appropriated by the legislature beginning in Fiscal Year 2013-2014,
27 and for four consecutive fiscal years thereafter, to the office of state police for a
28 training academy class.

29 * * *

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

4 (1) Once an agency determines a debt is owed, it shall send the debtor an
5 initial notice of the debt which requests payment, outlines any additional information
6 necessary to identify the nature of the debt and the amount due, and notifies the
7 debtor that failure to pay the debt in full within sixty days shall subject the debt to
8 be transferred to the office for collection of the maximum amount owed with an
9 additional collection fee added to the debt. However, the additional collection fee
10 authorized by this Section for any debt that originated from a criminal fine, fee, or
11 cost shall not exceed ten percent of the total liability of the final debt.

12 * * *

13 (4) If an agency utilizes the procedures above and transfers the final
14 delinquent debt to the office for collection, in lieu of any other notice, the office shall
15 send the debtor a notice informing the debtor of the debt's transfer to its office for
16 collection and of the additional collection fee that shall be added to the debt.
17 However, the additional collection fee authorized by this Section for any debt that
18 originated from a criminal fine, fee, or cost shall not exceed ten percent of the total
19 liability of the final debt.

20 * * *

21 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 Engrossed

2022 Regular Session

Marcelle

Abstract: Limits the additional collection fee assessed by the office of debt recovery on delinquent debts that originate from certain criminal fines, fees, and costs to no more than 10% of the total liability of the final debt.

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 requires agencies that do not

have a collection contract with the attorney general's office for the collection of delinquent debts to 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.

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 retains present law but limits the additional fee that may be collected by the office for any debt that originates from a criminal fine, fee, or cost to no more than 10% of the total liability of the final debt.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete provisions of proposed law that exempt debt that originates from a criminal fine, fee, or cost from additional collection fees by the office.
2. Limit the additional collection fee authorized by present law for any debt that originated from a criminal fine, fee, or cost to no more than 10% of the total liability of the final debt.
3. Remove proposed law repeal of present law provisions authorizing the secretary of DOR to contract with the attorney general's office or a third-party collection contractor for the collection of delinquent debt on behalf of the office.
4. Remove proposed law repeal of present law provisions requiring any contract entered into with a third-party collector to be subject to review by the Cash Management Review Board and authority for the legislative auditor to conduct audits of these contracts.