
DIGEST

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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.