

## HOUSE SUMMARY OF SENATE AMENDMENTS

HB 683

2024 Regular Session

Owen

MTR VEHICLE/OFFICE: Requires the office of motor vehicles to process reinstatements in person at all field locations

<b>Synopsis of Senate Amendments</b>
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| <ol style="list-style-type: none"> <li>1. Makes technical changes.</li> </ol> |
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**Digest of Bill as Finally Passed by Senate**

Present law requires the office of motor vehicles (OMV) to refer a final delinquent debt for which a debtor has not entered into an installment agreement for payment to the office of debt recovery (ODR) as provided in present law. Specifies final delinquent debt referrals must include data and information in the required format necessary to institute collection procedures. Requires all delinquent debts be authenticated by the OMV prior to being referred to the office of debt recovery. Specifies that once the delinquent debt becomes final, and prior to referral to the office of debt recovery, the OMV must notify the debtor in writing that failure to pay the debt in full within 60 days will subject the debt to the maximum amount owed together with the additional fee collected by the office of debt recovery provided for in present law. Requires notice to inform the debtor that he may qualify to pay sums due by installment agreement, if eligible, and include instructions on how to inquire with the OMV to determine eligibility and terms.

Proposed law modifies present law by removing the mandate that the OMV refer debt to the ODR and instead specifies that the OMV must notify the debtor in writing regarding the failure to pay the debt.

Proposed law authorizes the OMV, through the commissioner, to compromise and settle all debt whether such debt is delinquent debt, final debt, or a debt that has been referred to the ODR as a final delinquent debt to avoid litigation and further collection expenses of the state upon satisfactory showing of substantial compliance with the law and determination that no fee or lesser fee is due.

Present law defines "delinquent debt" as a debt that is 60 days or more past due.

Proposed law modifies present law by increasing the past due amount from 60 days or more past due to 180 days.

Present law defines "final debt" as the amount due is no longer negotiable and that the debtor has no further right of administrative and judicial review.

Proposed law removes from present law the specification that the amount due is no longer negotiable.

Proposed law retains present law but gives the OMV the option to refer a final delinquent debt for which a debtor has not entered into an installment agreement for debt recovery to the ODR, within the Dept. of Revenue.

Proposed law requires a debtor to provide a valid electronic mail address to the office of motor vehicles to receive all notices and updates. Specifies it is the debtor's obligation to maintain a valid electronic mail address during the entire term of any installment agreement confected pursuant to proposed law. Requires the debtor to promptly update the installment agreement system with any new or changed electronic mail address.

Present law establishes installment agreement payment schedule requires a debtor to provide fixed and equal monthly payments in the following amounts, with the first payment due upon the execution of the agreement:

- (1) If the debtor owes \$250, the debtor shall pay six equal monthly installments.
- (2) If the debtor owes from \$251 to \$750, the debtor shall pay 12 equal monthly installments.
- (3) If the debtor owes from \$751 to \$1,000, the debtor shall pay 24 equal monthly installments.
- (4) If the debtor owes from \$1,501 to \$2,500, the debtor shall pay 36 equal monthly installments.
- (5) If the debtor owes from \$2,501 to \$4,999, the debtor shall pay 48 equal monthly installments.
- (6) If the debtor owes \$5,000 or more, the debtor shall pay up to 60 monthly installment payments. However, the commissioner of the OMV may grant longer payment terms for amounts of \$5,000 or more owed based on proof of income indicating a debtor's financial limitations to pay within 60 months.

Proposed law removes the execution process in present law and gives the commissioner of the OMV discretion to consider factors such as the debtor's income, financial obligations, as well as any other factors that affect the debtor's ability to pay the outstanding debt when the commissioner is determining the number of payments and the amount of each payment in the debtor's installment agreement.

Present law provides for the termination of installment agreement upon failure to make payment. Specifies that if any installment payment is not made on or before the date fixed for the payment, the entire unpaid amount pursuant to the installment agreement is to be paid by the debtor within a 60-day period from the date of notice and demand from the commissioner of the office of motor vehicles. Further specifies that the notice is to advise the debtor that his driver's license will be suspended upon the expiration of the 60 day period if the payments due pursuant to the installment agreement are not made current within that 60-day period or the agreement is not reinstated by the commissioner of the office of motor vehicles within that 60-day period. Specifies that this notice is known as "Notice of Installment Agreement Termination and Demand".

Proposed law modifies present law by clarifying that the debtor must also fail to make a missed payment before present law is triggered.

Present law requires Notice of Installment Agreement Termination and Demand satisfy all notice requirements of R.S. 32:8 and R.S. 47:1676. Specifies in the event an installment agreement includes payment of delinquent or final debt as defined by R.S. 32:8, such notice must include all information required by R.S. 32:8. Further specifies the event that an installment agreement includes payment of delinquent or final debt as defined by R.S. 47:1676, such notice must include all information required by R.S. 47:1676. Additionally the notice required by this Paragraph must satisfy the notice requirements of R.S. 32:8 and R.S. 47:1676.

Proposed law retains present law and clarifies that all notice requirements contained in R.S. 32:8 and R.S. 47:1676 apply.

Present law specifies upon request of the debtor within the 60 day period from the date of the notice and demand required in present law and approval of the commissioner of the OMV, the OMV may reinstate the installment agreement after payment of the missed installment.

Proposed law modifies present law and specifies that the OMV may reinstate the installment agreement after payment of all missed installments and associated late fees.

Present law specifies if no request for reinstatement of an installment agreement is made within 60 days of the notice and demand required in present law, or if the commissioner of the OMV rejects a request to reinstate an installment agreement, the installment agreement will be terminated and any remaining sums due under the installment agreement will be delinquent and final debt as defined in present law and will apply to the following:

- (1) Sums due which are not debt as defined by present law, the OMV may refer any unpaid balance due under the installment agreement for collection by the appropriate office pursuant to present law.
- (2) For sums due which are debt as defined by present law, the OMV must refer any unpaid balance due under the installment agreement to the Dept. of Revenue, ODR, for collection as provided in present law.

Proposed law retains present law but makes it optional for the OMV to refer any unpaid balance due under the installment agreement to the Dept. of Revenue, ODR, for collection as provided in present law.

Present law retains present law.

Present law requires driving privileges and vehicle registration be reinstated when an installment agreement is executed by the debtor and the OMV. Specifies that all blocks on the debtor's license record be removed at that time. Further specifies the OMV may include the applicable fee for reinstatement of driving privileges in the total to be owed pursuant to an installment agreement entered into pursuant to present law.

Present law establishes Administration of installment agreements. Requires the Dept. of Public Safety and Corrections, public safety services, to authorize a third party, including but not limited to the Dept. of Revenue, ODR, to administer installment agreements executed pursuant to present law. Additionally, such authorized third party may collect payments due pursuant to installment agreements executed pursuant to present law.

Present law specifies that any such authorized third party be an authorized agent of the Dept. of Public Safety and Corrections, public safety services, and may collect the following fees for each transaction completed pursuant to present law:

- (1) A fee not to exceed \$3.00 for each payment made pursuant to an installment agreement.
- (2) Fees authorized by present law.
- (3) Fees authorized pursuant to present law.

Specifies that the provisions of present law do not apply to services provided by the Dept. of Revenue, ODR, pursuant to present law.

Further specifies that the OMV and the ODR cannot be considered a collection agency as defined in present law.

Present law further specifies that the OMV and the Dept. of Revenue, ODR, may adopt rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section.

Proposed law creates the Reinstatement Relief Program. Specifies that the commissioner of the office of motor vehicles is authorized to implement a Reinstatement Relief Program for persons who owe reinstatement fees imposed pursuant to present law for having a lapse in

insurance coverage.

Proposed law requires the commissioner to determine the amount of reinstatement fees a person owes. Specifies the person is to promptly pay the amount determined to be owed no later than 10 calendar days from the date the commissioner sets the amount that is owed. Additionally, specifies that if the person needs to make payment arrangements, the person is to execute an installment agreement with the office of motor vehicles. Further provides that such an installment agreement will only be for the amount determined to be owed by the commissioner together with all fees associated with the installment agreement as provided present law.

Proposed law specifies that if a person executes an installment contract; that person must maintain eligibility to remain in the Reinstatement Relief Program only if they make all payments required in the installment agreement. Further specifies, that if a person fails to make a timely payment and fails to pay the missed payment with the associated late fee before the next scheduled payment, the person must be removed from the Reinstatement Relief Program and will not be eligible to reenter the Reinstatement Relief Program.

Proposed law allows the commissioner to request such documentation and information from the person as is necessary to determine the amount of any payment and the number of any payment including but not limited to income tax returns and prior bankruptcy filings.

Proposed law establishes that if the person successfully completes the Reinstatement Relief Program, the OMV must issue documentation to the person indicating the amount of debt that was paid and the amount of debt that was forgiven.

Proposed law requires the provisions of proposed law retroactively apply to all persons whose debt on the effective date of the Act, even if the debt has already been referred to the ODR.

Proposed law specifies any debt referred to the ODR on or before the effective date of this Act, will be considered delinquent debt if the debt was 60 days or more past due, as provided in Act No. 414 of the 2015 R.S.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 32:8(A)(2) and (3) and (B) and 429.4(B) and (E)-(H); Adds R.S. 32:8(D), 429.4(A)(5) and (I) and 863.1.2)