2024 Regular Session

HOUSE BILL NO. 683

BY REPRESENTATIVES OWEN, AMEDEE, BAYHAM, BILLINGS, BOURRIAQUE, BOYER, BRAUD, BRYANT, CARLSON, CARRIER, WILFORD CARTER, CHASSION, COX, CREWS, DEWITT, DICKERSON, EGAN, FARNUM, FISHER, FONTENOT, GREEN, HORTON, JORDAN, KNOX, LAFLEUR, MANDIE LANDRY, LARVADAIN, LYONS, MCCORMICK, MCMAHEN, MELERINE, MOORE, RISER, ROMERO, SCHAMERHORN, SELDERS, TARVER, TAYLOR, TURNER, WALTERS, WILEY, AND WYBLE AND SENATORS ABRAHAM, ALLAIN, BARROW, BOUDREAUX, CARTER, CLOUD, DUPLESSIS, HARRIS, JACKSON-ANDREWS, MCMATH, AND PRICE

AN ACT

To amend and reenact R.S. 32:8(A)(2) and (3) and (B) and 429.4(B) and (E) through (H) and to enact R.S. 32:8(D), 429.4(A)(5) and (I), and 863.1.2, relative to motor vehicle reinstatements; to remove the mandate for the office of motor vehicles to refer final delinquent debt to the office of debt recovery; to provide for definitions; to authorize the office of motor vehicles to settle debt to avoid litigation and collection expenses; to require debtors to provide an electronic mail address to the office of motor vehicles for receipt of notices and updates; to remove equal monthly installments amounts that are tied to specific amounts a debtor owes; to provide for the assessment of a late fee for the failure to make an installment payment and request reinstatement; to create a reinstatement relief program to be governed by the commissioner of the office of motor vehicles; to require the office of motor vehicles to provide reinstatements at all of its field locations; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 32:8(A)(2) and (3) and (B) and 429.4(B) and (E) through (H) are hereby amended and reenacted and R.S. 32:8(D), 429.4(A)(5) and (I), and 863.1.2 are hereby enacted to read as follows:

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

§8. Final delinquent debt; office of motor vehicle	§ 8.	Final	delinguent	debt;	office	of mo	tor ve	hicles
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A. For purposes of this Section, the following words shall have the following meanings unless the context clearly indicates otherwise:

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- (2) "Delinquent debt" means a debt that is sixty one hundred eighty days or more past due.
- (3) "Final debt" means the amount due is no longer negotiable and that the debtor has no further right of administrative and judicial review <u>regarding the</u> amount.

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B. The office of motor vehicles shall may refer a final delinquent debt for which a debtor has not entered into an installment agreement for payment to the office of debt recovery as provided in R.S. 47:1676. Final delinquent debt referrals shall include data and information in the required format necessary to institute collection procedures. All delinquent debts shall be authenticated by the office of motor vehicles prior to being referred to the office of debt recovery. Once the delinquent debt becomes final; and prior to referral to the office of debt recovery, the office of motor vehicles shall notify the debtor in writing that failure to pay the debt in full within sixty days shall subject the debt to the maximum amount owed, as specified in R.S. 32:57.1(B), 863(A)(3)(a), and 863.1, together with the additional fee collected by the office of debt recovery provided for in R.S. 47:1676. Such notice shall also inform the debtor that he may qualify to pay sums due by installment agreement, if eligible, and shall include instructions on how to inquire with the office of motor vehicles to determine eligibility and terms.

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D. The office of motor vehicles, through the commissioner, may compromise and settle all debt, whether such debt is delinquent debt, final debt, or a debt that has been referred to the office of debt recovery as a final delinquent debt to avoid litigation and further collection expenses of the state upon satisfactory showing of

1	substantial compliance with the law and determination that no fee or lesser fee is
2	due.
3	* * *
4	§429.4. Installment agreement; outstanding penalties, fines, and fees owed to the
5	office of motor vehicles
6	A.
7	* * *
8	(5) A debtor shall provide a valid electronic mail address to the office of
9	motor vehicles to receive all notices and updates. It shall be the debtor's obligation
10	to maintain a valid electronic mail address during the entire term of any installment
1	agreement confected pursuant to this Section. The debtor shall promptly update the
12	installment agreement system with any new or changed electronic mail address.
13	B.(1) Installment agreement payment schedule. Any installment agreement
14	shall require a debtor to provide fixed and equal monthly payments in the following
15	amounts, with the first payment due upon the execution of the agreement:
16	(1) If the debtor owes two hundred fifty dollars, the debtor shall pay six
17	equal monthly installments.
18	(2) If the debtor owes from two hundred fifty-one dollars to seven hundred
19	fifty dollars, the debtor shall pay twelve equal monthly installments.
20	(3) If the debtor owes from seven hundred fifty-one dollars to one thousand
21	five hundred dollars, the debtor shall pay twenty-four equal monthly installments.
22	(4) If the debtor owes from one thousand five hundred one dollars to two
23	thousand five hundred dollars, the debtor shall pay thirty-six equal monthly
24	installments.
25	(5) If the debtor owes from two thousand five hundred one dollars to four
26	thousand nine hundred ninety-nine dollars, the debtor shall pay forty-eight equal
27	monthly installments.
28	(6) If the debtor owes five thousand or more, the debtor shall pay up to sixty
29	monthly installment payments. However, the commissioner of the office of motor
30	vehicles may grant longer payment terms for amounts of five thousand dollars or

more owed based on proof of income indicating a debtor's financial limitations to pay within sixty months.

(2) The commissioner of the office of motor vehicles may take into account 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.

* * *

E. The failure to make a scheduled payment in accordance with the terms of the installment agreement shall result in the assessment of a late fee in the amount of twenty-five dollars which shall be added to the total amount due. Upon the failure to receive a payment, the office of motor vehicle shall send an electronic mail notification to the debtor to update the debtor's payment information and pay the missed payment. If, after receiving the electronic mail notice, the debtor updates the payment information, pays the late fee, and submits the missed payment, the installment agreement shall remain in place and no further action will be taken. In such case, the missed payment and late fee shall be received by the office of motor vehicles prior to the next scheduled payment date.

E. (F) Termination of installment agreement upon failure to make payment.

(1) If any installment payment is not paid on or before the date fixed for its payment, and the debtor fails to make up the missed payment as provided in Subsection E of this Section, the entire amount unpaid pursuant to the installment agreement shall be paid by the debtor within a sixty-day period from the date of notice and demand from the commissioner of the office of motor vehicles. The notice shall further advise the debtor that his driver's license shall be suspended upon the expiration of the sixty-day period if the payments due pursuant to the installment agreement are not made current within that sixty-day period or the agreement is not reinstated by the commissioner of the office of motor vehicles within that sixty-day period. This notice shall be known as "Notice of Installment Agreement Termination and Demand".

1 (2) The Notice of Installment Agreement Termination and Demand shall 2 satisfy all notice requirements contained in R.S. 32:8 and R.S. 47:1676. In the event 3 an installment agreement includes payment of delinquent or final debt as defined by 4 R.S. 32:8, such notice shall include all information required by R.S. 32:8. In the 5 event that an installment agreement includes payment of delinquent or final debt as 6 defined by R.S. 47:1676, such notice shall include all information required by R.S. 7 47:1676. The notice required by this Paragraph shall satisfy the notice requirements 8 of R.S. 32:8 and R.S. 47:1676. 9 (3) Upon request of the debtor within the sixty-day period from the date of 10 the notice and demand required in Paragraph (1) of this Subsection and approval of 11 the commissioner of the office of motor vehicles, the office of motor vehicles may 12 reinstate the installment agreement after payment of all the missed installments and 13 associated late fees installment. 14 (4) If a request for reinstatement of an installment agreement is not made 15 within sixty days of the notice and demand required by Paragraph (1) of this 16 Subsection, or if the commissioner of the office of motor vehicles rejects a request 17 to reinstate an installment agreement, the installment agreement shall be terminated 18 and any remaining sums due under the installment agreement shall be delinquent and 19 final debt as defined by R.S. 32:8 or R.S. 47:1676 for which the following shall 20 apply: 21 (a) For sums due which are not considered debt as defined by R.S. 32:8, the 22 office of motor vehicles may refer any unpaid balance due under the installment 23 agreement for collection by the appropriate office pursuant to R.S. 47:1676 and this 24 Section. 25 (b) For sums due which are debt as defined by R.S. 32:8, the office of motor 26 vehicles may shall refer any unpaid balance due under the installment agreement to 27 the Department of Revenue, office of debt recovery, for collection as provided in R.S. 32:8 and R.S. 47:1676. 28

G. F. Driving privileges and vehicle registration. (1) A debtor's Class "E"

driving privileges and motor vehicle or truck registration privileges shall be

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reinstated when an installment agreement is executed by the debtor and the office of motor vehicles. All blocks on the debtor's license record shall be removed at that time. The office of motor vehicles 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 this Section.

(2) If a debtor fails to timely make an installment payment and no request for reinstatement of the installment agreement is made following the commissioner's sending the Notice of Installment Agreement Termination and Demand, or the commissioner of the office of motor vehicles rejects a request to reinstate an installment agreement, the debtor's driving privileges and motor vehicle or truck registration privileges shall be suspended. The provisions of R.S. 32:414 shall apply with regard to judicial review of the suspension and reinstatement of the suspension.

<u>H. G.</u> Administration of installment agreements. (1) The Department of Public Safety and Corrections, public safety services, may authorize a third party, including but not limited to the Department of Revenue, office of debt recovery, to administer installment agreements executed pursuant to this Section. Such authorized third party may collect payments due pursuant to installment agreements executed pursuant to this Section. Any such authorized third party shall be an authorized agent of the Department of Public Safety and Corrections, public safety services, and may collect the following fees for each transaction completed pursuant to this Section:

- (a) A fee not to exceed three dollars for each payment made pursuant to an installment agreement.
 - (b) Fees authorized by R.S. 40:1322.
 - (c) Fees authorized pursuant to R.S. 49:316.1.
- (2) The provisions of R.S. 47:1576.2 shall not apply to services provided by the Department of Revenue, office of debt recovery, pursuant to this Subsection.
- (3) For purposes of this Section, the office of motor vehicles and the office of debt recovery shall not be considered a collection agency as defined in R.S. 9:3534.1.

<u>I.</u> H. Rules. The office of motor vehicles and the Department of Revenue, office of debt recovery, may adopt rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section.

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§863.1.2. Reinstatement Relief Program

A. 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 R.S. 32:863 for having a lapse in insurance coverage.

B. The commissioner shall determine the amount of reinstatement fees the person owes. The person shall promptly pay the amount determined to be owed no later than ten calendar days from the date the commissioner sets the amount that is owed. If the person needs to make payment arrangements, the person shall execute an installment agreement with the office of motor vehicles. Such an installment agreement shall only be for the amount determined to be owed by the commissioner together with all fees associated with the installment agreement as provided in R.S. 32:429.4. If a person executes an installment contract; that person shall maintain eligibility to remain in the Reinstatement Relief Program only if they make all payments required in the installment agreement. 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 shall be removed from the Reinstatement Relief Program.

C. The commissioner may 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.

D. If the person successfully completes the Reinstatement Relief Program, the office of motor vehicles shall issue documentation to the person indicating the amount of debt that was paid and the amount of debt that was forgiven.

Section 2. The provisions of this Act shall retroactively apply to all persons who have outstanding debt on the effective date of this Act, even if the debt has already been

HB NO. 683 **ENROLLED** 1 referred to the office of debt recovery. However, any debt referred to the office of debt 2 recovery on or before the effective date of this Act, shall be considered delinquent debt if 3 the debt was sixty days or more past due, as provided in Act No. 414 of the 2015 Regular 4 Session. 5 Section 3. This Act shall become effective upon signature by the governor or, if not 6 signed by the governor, upon expiration of the time for bills to become law without signature 7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 8 vetoed by the governor and subsequently approved by the legislature, this Act shall become 9 effective on the day following such approval. SPEAKER OF THE HOUSE OF REPRESENTATIVES PRESIDENT OF THE SENATE GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____