

CONFERENCE COMMITTEE REPORT

HB 638

2015 Regular Session

Ivey

June 11, 2015

To the Honorable Speaker and Members of the House of Representatives and the Honorable President and Members of the Senate.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 638 by Representative Ivey, recommend the following concerning the Reengrossed bill:

1. That the set of Senate Committee Amendments proposed by Senate Committee on Finance and adopted by the Senate on June 6, 2015, be adopted.
2. That Senate Floor Amendments Nos. 1 through 8 and 10 proposed by Senator Donahue and adopted by the Senate on June 8, 2015, be adopted.
3. That Senate Floor Amendment No. 9 proposed by Senator Donahue and adopted by the Senate on June 8, 2015 be rejected.
4. That the Reengrossed bill be amended as follows:

AMENDMENT NO. 1

In Senate Committee Amendment No. 1 proposed by Senate Committee on Finance and adopted by the Senate on June 6, 2015, on page 1, line 3, after "R.S. 40:1322(B)," and before "and" insert "R.S. 47:1676(G), (H), (I), and (J),"

AMENDMENT NO. 2

In Senate Committee Amendment No. 1 proposed by Senate Committee on Finance and adopted by the Senate on June 6, 2015, on page 1, line 4, after "57.1(C)," and before "relative to" insert "and R.S. 47:1676(K),"

AMENDMENT NO. 3

On page 2, between lines 7 and 8, insert the following:

"Section 3. R.S. 47:1676(G), (H), (I), and (J) are hereby amended and reenacted and R.S. 47:1676(K) is hereby enacted to read as follows:

§1676. Debt recovery

\* \* \*

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

(1) Once an agency determines a debt is owed, it shall send the debtor an initial notice of the debt which requests payment, outlines any additional information necessary to identify the nature of the debt and the amount due, and notifies the debtor that failure to pay the debt in full within sixty days shall subject the debt to be transferred to the office for collection of the maximum amount owed with an additional collection fee added to the debt.

(2) If, after thirty days from the date of the initial notification, the debtor has failed to pay the debt owed, the agency shall send a second notice to the debtor with the same information required in Paragraph (1) of this Subsection.

(3) If the debt remains unpaid sixty days after the date of the initial notice, the debt shall be considered a final delinquent debt and shall be owed to the state and collectible by the office.

(4) If an agency utilizes the procedures above and transfers the final delinquent debt to the office for collection, in lieu of any other notice, the office shall send the debtor a notice informing the debtor of the debt's transfer to its office for collection and of the additional collection fee that shall be added to the debt.

G. H. The secretary shall promulgate rules and regulations in accordance with the Administrative Procedure Act to implement the provisions of this Section, including rules authorizing any reasonable procedure or requirement for agencies referring delinquent debt to the department for collection, requirements regarding information necessary to collect the debt and the formatting of that information, and the priority or ranking of debt payments against multiple agency debts. Any rule promulgated by the department shall be construed in favor of the secretary.

H. I. The secretary may enter into one or more reciprocal collection and offset of indebtedness agreements with the federal government, pursuant to which the state shall agree to offset from state tax refunds and payments otherwise due to vendors and contractors providing goods or services to agencies, non-tax debt owed to the federal government, and the federal government shall agree to offset from federal payments to vendors, contractors, and taxpayers debt owed to the state. The secretary shall include all eligible collection accounts placed with the attorney general's office for all available offsets.

I. J. After the office exercises and employs its collection methods and tools, it shall evaluate and recommend any uncollectible debt for sale or securitization in accordance with the provisions of R.S. 39:88.2 and 88.3.

J. K. The operations of the office shall be subject to annual review by the Cash Management Review Board."

AMENDMENT NO. 4

On page 2, line 8, change "Section 2." to "Section 4."

Respectfully submitted,

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Representative Barry Ivey

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Senator Jack Donahue

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Representative James R. Fannin

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Senator Mack "Bodi" White

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Representative Chris Broadwater

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Senator Robert Adley

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)]

**CONFERENCE COMMITTEE REPORT DIGEST**

**HB 638**

**2015 Regular Session**

**Ivey**

**Keyword and oneliner of the instrument as it left the House**

STATE AGENCIES: Provides for the collection of fees associated with payments to state agencies by credit cards, debit cards, or other forms of electronic payments

**Report adopts Senate amendments to:**

1. Authorize the Department of Public Safety and Corrections to consider certain uncollected fees that are 60 days or more past due as final delinquent debt.
2. Provide for the referral of such final delinquent debt to the office of debt recovery.
3. Provide for the deposit of such final delinquent debt collected by the office of debt recovery into the Debt Recovery Fund and provide for \$25 million of the collection to be used by the office of state police.

**Report amends the bill to:**

1. Establish procedures for state agencies to consider debt that is 60 days or more past due as final delinquent debt that is collectible by the office of debt recovery.

**Digest of the bill as proposed by the Conference Committee**

Present law authorizes the Department of Public Safety and Corrections to collect certain fees associated with the suspension of an operator's license (R.S. 32:57.1) and related to automobile insurance requirements (R.S. 32:863 and 863.1).

Proposed law retains present law and provides that such fees are due within 60 days of the date of notice to pay such fees. Further provides that after 60 days such fees shall be considered final delinquent debt.

Proposed law further requires the office of motor vehicles to refer all final delinquent debt to the office of debt recovery. Further provides that final delinquent debt shall be collected by the office of debt recovery pursuant to the provisions of proposed law and deposited in the Debt Recovery Fund. Provides that \$25 million from the fund shall be utilized by the office of state police.

Present law establishes the office of debt recovery within the Dept. of Revenue to aid in the collection of delinquent debts on behalf of state agencies that do not have debt collection contracts with the attorney general's office.

Proposed law establishes procedures for state agencies to consider debt that is 60 days or more past due as final delinquent debt that is collectible by the office of debt recovery.

Present law authorizes state agencies to accept credit cards, debit cards, and similar payment devices approved by the treasurer and provides for the treasurer to establish fees for such transactions (R.S. 49:316.1). Further provides for a separate authorization for the Department

of Public Safety and Corrections, public safety services to accept similar payments (R.S. 40:1322).

Present law (R.S. 40:1322) authorizes the collection of convenience fees on credit card transactions authorized for the Department of Public Safety and Corrections including a \$1 fee for transactions through a telephone or Internet and a fee on transactions where the customer appears in person with a minimum charge of \$1 and a maximum charge of \$150 allowed. Present law further provides that the percentage rate used to calculate the fee on in-person transactions is the percentage rate used by the bank to calculate its processing fee.

Proposed law changes the provisions regarding the amount of the convenience fee from a required amount to a fee that may either be a uniform dollar amount, a percentage of the transaction, or a tiered amount based on the transaction amount.

Present law (R.S. 49:316.1) requires agencies that accept credit card payments to assess certain fees, as established by the treasurer, when accepting payment as authorized in present law. Proposed law removes requirement to assess such fee and provides that the assessment of the fee is permissive.

Proposed law further changes the provisions regarding the amount of the convenience fee from a uniform dollar amount to a fee that may either be a uniform dollar amount, a percentage of the transaction, or a tiered amount based on the transaction amount.

Proposed law changes one of the payment methods authorized to be accepted from "similar payment devices" to "other forms of electronic payments" to broaden the forms of payment that can be accepted by state agencies.

Present law allows certain agencies to use a third-party processor to collect a convenience fee on payments authorized in present law. Further, the amount of the convenience fee shall be approved by the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means. The agencies permitted in present law to use the third-party processor are the following:

- (1) Department of Revenue.
- (2) Department of Insurance.
- (3) Department of Transportation and Development.
- (4) Department of Public Safety and Corrections.
- (5) Department of Wildlife and Fisheries.
- (6) Department of Environmental Quality.

Proposed law provides for review and recommendation of the treasurer on the fee charged by a third-party solution.

Proposed law changes the term of the third-party that is authorized in present law from "third-party processor" to "third-party solution" and further defines third-party solution.

Proposed law changes the agencies allowed to use a third-party solution to collect a convenience fee from those agencies specifically authorized in present law to any state entity.

Proposed law does not apply to any payments made through a nationwide licensing or registry system, or any payments made pursuant to present law in the Louisiana Securities Law.

(Amends R.S. 32:863(A)(3)(a) and (B)(intro. para.), R.S. 32:863.1(C)(1)(b), R.S. 40:1322(B), R.S. 47:1676(G), (H), (I), and (J), R.S. 49:316.1; Adds R.S. 32.8 and 57.1(C) and R.S. 47:1676(K))