

2016 Regular Session

HOUSE BILL NO. 245

BY REPRESENTATIVES MARCELLE AND CARPENTER

MOTOR VEHICLES: Provides for methods of payment for debts owed to the office of motor vehicles

1 AN ACT

2 To amend and reenact R.S. 32:8(A)(2) and (3), 57.1(C), 863(A)(3)(a), and 863.1(C)(1)(b),
3 and to enact R.S. 32:429.4 and R.S. 47:1676(L), relative to monies owed to the office
4 of motor vehicles; to authorize the office of motor vehicles to enter into installment
5 agreements with persons for payment of outstanding fines, penalties, and fees; to
6 authorize the office of motor vehicles to register motor vehicles and issue driving
7 privileges to persons during the term of such installment agreements; to authorize the
8 promulgation of rules and regulations; to provide for definitions; to authorize third
9 parties to administer such installment agreements; to authorize a third party to charge
10 and collect certain fees for the administration of such installment agreements; to
11 provide for effective dates; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 32:8(A)(2) and (3), 57.1(C), 863(A)(3)(a), and 863.1(C)(1)(b) are
14 hereby amended and reenacted to read as follows:

15 §8. Final delinquent debt; office of motor vehicles

16 A. For purposes of this Section, the following words shall have the following
17 meanings unless the context clearly indicates otherwise:

18 * * *

1 (2) "Delinquent debt" means a debt that is sixty days or more past due and
2 for which the debtor has not entered into an installment agreement with the office of
3 motor vehicles to pay.

4 (3) "Final" means the amount due is no longer negotiable and that the debtor
5 has no further right of administrative and judicial review. An amount due shall not
6 be final during the term of an installment agreement between the office of motor
7 vehicles and the debtor.

8 * * *

9 §57.1. Failure to honor written promise to appear; penalty; disposition of fines

10 * * *

11 C. If after sixty calendar days from the date of the notification issued by the
12 Department of Public Safety and Corrections as required in Subsection A of this
13 Section the arrested person has failed to comply or enter into an installment
14 agreement with the office of motor vehicles, the fees provided for in this Section
15 shall be considered final delinquent debt. If the person has entered into an
16 installment agreement and missed a payment, the provisions of R.S. 32:429.4 shall
17 govern when the fees provided for in this Section shall be considered final delinquent
18 debt.

19 * * *

20 §863. Sanctions for false declaration; reinstatement fees; revocation of registration;
21 review

22 A.

23 * * *

24 (3)(a) Sanctions for a violation of Paragraph (1) of this Subsection shall be
25 imposed until proof of required liability security is provided to the secretary and all
26 reinstatement fees are paid or an installment agreement is executed to provide for
27 payment of such reinstatement fees. Sanctions for a violation of Paragraph (2) of this
28 Subsection shall be imposed for a period of not less than twelve months nor more
29 than eighteen months. However, in no event shall these sanctions be removed until

1 such time as proof of the required security is provided to the secretary along with all
2 appropriate fees required by law, including a reinstatement fee of one hundred
3 dollars per violation of Paragraph (1) of this Subsection if the vehicle was not
4 covered by the required security for a period of one to thirty days, two hundred fifty
5 dollars if the vehicle was not covered by required security for a period of thirty-one
6 to ninety days, and five hundred dollars if the vehicle was not covered by required
7 security for a period in excess of ninety days. No reinstatement fee shall be imposed
8 by the secretary if the vehicle was not covered by required security for a period of
9 ten days or less and the insured surrenders the vehicle's license plate to the secretary
10 within ten days. The reinstatement fees for violations of Paragraph (2) of this
11 Subsection shall be as follows: two hundred fifty dollars for a first violation, five
12 hundred dollars for a second violation, and one thousand dollars for a third or
13 subsequent violation. The reinstatement fee shall not be owed for an alleged
14 violation of Paragraph (2) of this Subsection when proof of the required security is
15 provided to the secretary within sixty days of the date of the notice. If at the time of
16 reinstatement, a person has multiple violations and is within sixty days of the notice,
17 the total amount of fees to be paid shall not exceed eight hundred fifty dollars, for
18 violations of Paragraph (1) of this Subsection, one thousand seventy-five dollars for
19 violations of Paragraph (2) of this Subsection. At no time shall the total amount of
20 fees, including administrative fees, exceed two hundred fifty dollars for persons
21 sixty-five years or older. After sixty days of the date of the notice, or if an
22 installment agreement has not been entered into, all fees shall be considered final
23 delinquent debt and therefore owed, and the eight hundred fifty dollar limit for
24 persons under sixty-five years shall no longer apply. If the person has entered into
25 an installment agreement and missed a payment, the provisions of R.S. 32:429.4
26 shall govern when the fees provided for in this Section shall be considered final
27 delinquent debt.

* * *

1 §863.1. Evidence of compulsory motor vehicle liability security contained in
2 vehicle; enforcement; penalty; fees

3 * * *

4 C.(1)

5 * * *

6 (b) The owner of the vehicle shall have three calendar days, excluding
7 Saturdays, Sundays, and legal holidays, from the date that the notice of
8 noncompliance was issued to present to the office of motor vehicles proof of
9 insurance coverage or security in effect at the time of the issuance of the notice of
10 noncompliance. If the vehicle was properly insured at the time the notice was issued,
11 any valid license plate shall be returned within forty-eight hours, exclusive of legal
12 holidays, to the owner of the vehicle at no cost to the owner. However, if, within
13 sixty days from the date the notice of noncompliance is issued, the owner fails to
14 provide proof of the fact that the vehicle was properly insured at the time the notice
15 of noncompliance was issued, the chief administrative officer of the office of motor
16 vehicles shall destroy, or shall cause to be destroyed, the license plate removed from
17 that owner's vehicle and shall notify the secretary that the owner of the vehicle is not
18 in compliance with the compulsory liability law. Upon receipt of such notification,
19 the secretary shall revoke the registration of such vehicle. Sixty days after the date
20 of issuance of the notice of noncompliance, the fees imposed in this Section shall be
21 owed even if the owner subsequently provides proof the motor vehicle was insured,
22 and all such fees shall be considered final delinquent debt, unless the debtor has
23 entered into an installment agreement with the office of motor vehicles to pay such
24 fees. If the person has entered into an installment agreement and missed a payment,
25 the provisions of R.S. 32:429.4 shall govern when the fees provided for in this
26 Section shall be considered final delinquent debt.

27 * * *

1 Section 2. R.S. 32:429.4 is hereby enacted to read as follows:

2 §429.4. Installment agreement; outstanding penalties, fines, and fees owed to the
3 office of motor vehicles

4 A.(1)(a) All outstanding penalties, fines, and fees owed to the Department
5 of Public Safety and Corrections, office of motor vehicles, hereinafter referred to as
6 the "office of motor vehicles", shall be paid no later than the date allowed by law.
7 However, beginning on or before January 1, 2017 and thereafter, the office of motor
8 vehicles shall enter into installment agreements, as authorized by this Section, with
9 eligible persons to pay outstanding fines, penalties, and fees owed to the office of
10 motor vehicles.

11 (b) An installment agreement shall not be used to pay sales or use taxes or
12 related penalties and interest, vehicle registration license taxes, or titling fees when
13 submitting a transaction to title or register a motor vehicle. However, if the office
14 of motor vehicles has previously sent a notice to the debtor that the payment made
15 on a motor vehicle title or registration transaction was dishonored by a bank
16 processing the transaction, the office of motor vehicles may accept an installment
17 agreement to collect that dishonored payment in addition to any outstanding fees,
18 penalties, or interest that may be added to the total due to the dishonored payment.

19 (c) Upon termination of an installment agreement executed pursuant to this
20 Section, all outstanding amounts due under the installment agreement shall be final
21 debt as defined by R.S. 32:8 or R.S. 47:1676. Any installment agreement entered
22 into pursuant to this Section shall constitute a waiver by the debtor of any right to
23 administrative or judicial review regarding sums due under an installment agreement.
24 Any notices provided to a debtor who enters into an installment agreement pursuant
25 to this Section shall constitute satisfaction of the notice requirements of R.S. 32:8
26 and R.S. 47:1676.

27 (2) All notices of outstanding fines, penalties, and fees owed to the office of
28 motor vehicles shall inform the debtor that he may qualify to pay sums due by

1 installment agreement if eligible and to inquire with the office of motor vehicles to
2 determine eligibility and terms.

3 (3) Any installment agreement entered into by the office of motor vehicles
4 and a debtor shall be in writing and signed by both parties. The office of motor
5 vehicles shall develop an official form to be utilized for installment agreements
6 authorized by this Section. Installment agreements not on this form shall be invalid.

7 B. A debtor who owes the office of motor vehicles two hundred and fifty
8 dollars or more in outstanding fines, penalties, or fees, or any combination thereof,
9 is eligible to pay such amounts by means of an installment agreement with the office
10 of motor vehicles, should all of the following conditions be met:

11 (1) All conditions of reinstatement other than payment of outstanding fines,
12 penalties, and fees owed to the office of motor vehicles have been satisfied.

13 (2) A request for an installment agreement is made within the time provided
14 for in the notice from the office of motor vehicles informing the debtor of the
15 outstanding fines, penalties, and fees owed to the office of motor vehicles.

16 C. Any installment agreement shall require a debtor to provide fixed and
17 equal monthly payments as follows:

18 (1) If the debtor owes two hundred and fifty dollars, the debtor shall pay six
19 equal monthly installments.

20 (2) If the debtor owes from two hundred and fifty one dollars to seven
21 hundred and fifty dollars, the debtor shall pay twelve equal monthly installments.

22 (3) If the debtor owes from seven hundred and fifty one dollars to one
23 thousand five hundred dollars, the debtor shall pay twenty four equal monthly
24 installments.

25 (4) If the debtor owes from one thousand five hundred and one dollars to two
26 thousand five hundred dollars, the debtor shall pay thirty six equal monthly
27 installments.

1 (5) If the debtor owes from two thousand five hundred and one dollars to
2 four thousand nine hundred and ninety nine dollars, the debtor shall pay forty eight
3 equal monthly installments.

4 (6) If the debtor owes five thousand or more, the debtor shall pay up to sixty
5 monthly installment payments. However, the commissioner of the office of motor
6 vehicles may grant longer payment terms for amounts of five thousand dollars or
7 more owed based on proof of income indicating a debtor's financial limitations to
8 pay within sixty months.

9 D. The first payment of an installment agreement shall be due upon
10 execution of the installment agreement.

11 E. Prepayment of sums due pursuant to an installment agreement shall be
12 permitted without imposition of penalty.

13 F.(1) All installment agreement payments shall be made through an
14 electronic automated transaction initiated by the office of motor vehicles or a third
15 party on behalf of the office of motor vehicles. Such installment agreement payments
16 may be made by bank draft, electronic funds transfer, or credit or debit card,
17 including but not limited to reloadable prepaid credit or debit cards. All debtors shall
18 provide necessary information for installment payments to be paid by bank draft,
19 electronic funds transfer, or credit or debit cards.

20 (2) Each time an installment agreement payment is made the debtor shall be
21 issued a statement or receipt indicating the amount paid and the amount outstanding
22 under the installment agreement.

23 G. The commissioner of the office of motor vehicles may suspend an
24 installment agreement executed pursuant to this Section for up to sixty days
25 following a request based upon good cause. Good cause shall be determined by the
26 commissioner. During the term of the suspension of the installment agreement, no
27 payments shall be made under the installment agreement. Payments shall resume
28 upon the day following the last day of the suspension period. Any suspension of an
29 installment agreement pursuant to this Subsection shall extend the term of the

1 installment agreement by the length of any suspension. A debtor's driving privileges
2 shall remain active during the suspension period unless otherwise blocked, revoked,
3 or suspended.

4 H.(1) If any installment payment is not paid on or before the date fixed for
5 its payment, the entire amount unpaid pursuant to the installment agreement shall be
6 paid by the debtor within a sixty-day period from the date of notice and demand
7 from the commissioner of the office of motor vehicles. The notice shall further
8 advise the debtor that his driver's license shall be suspended upon the expiration of
9 the sixty-day period if the payments due pursuant to the installment agreement are
10 not made current within that sixty-day period or the agreement is not reinstated by
11 the commissioner of the office of motor vehicles within that sixty-day period. In the
12 event that an installment agreement includes payment of delinquent or final debt as
13 defined by R.S. 32:8, such notice shall include all information required by R.S. 32:8.
14 In the event that an installment agreement includes payment of delinquent or final
15 debt as defined by R.S. 47:1676, the notice shall include all information required by
16 R.S. 47:1676. The notice required by this Paragraph shall satisfy the notice
17 requirements of R.S. 32:8 and R.S. 47:1676.

18 (2) Upon request of the debtor within the sixty-day period from the date of
19 the notice and demand required in Paragraph (1) of this Subsection and approval of
20 the commissioner of the office of motor vehicles, the office of motor vehicles may
21 reinstate the installment agreement after payment of the missed installment.

22 (3) If no request for reinstatement of an installment agreement is made
23 within sixty days of the notice and demand required by Paragraph (1) of this
24 Subsection, or the commissioner of the office of motor vehicles rejects a request to
25 reinstate an installment agreement, the installment agreement shall be terminated and
26 any remaining sums due under the installment agreement shall be delinquent and
27 final debt as defined by R.S. 32:8 or R.S. 47:1676 for which the following shall
28 apply:

1 (a) For sums due which are not debt as defined by R.S. 32:8, the office of
2 motor vehicles may refer any amounts outstanding under the installment agreement
3 for collection by the appropriate office pursuant to R.S. 47:1676 and this Section.

4 (b) For sums due which are debt as defined by R.S. 32:8, the office of motor
5 vehicles shall refer any amounts outstanding under the installment agreement to the
6 Department of Revenue, office of debt recovery, for collection as provided in R.S.
7 32:8 and R.S. 47:1676. The Department of Revenue, office of debt recovery, shall
8 provide a credit for amounts paid under an installment agreement executed pursuant
9 to this Section.

10 I.(1) A debtor's Class "E" driving privileges and motor vehicle or truck
11 registration privileges shall be reinstated when an installment agreement is executed
12 by the debtor and the office of motor vehicles. All blocks on the debtor's license
13 record shall be removed at that time. The office of motor vehicles may include the
14 applicable fee for reinstatement of driving privileges in the total to be owed pursuant
15 to an installment agreement entered into pursuant to this Section.

16 (2) If an installment payment is missed and no request for reinstatement of
17 an installment agreement is made following a demand from the commissioner of the
18 office of motor vehicles, or the commissioner of the office of motor vehicles rejects
19 a request to reinstate an installment agreement, the debtor's driving privileges and
20 motor vehicle or truck registration privileges shall be suspended. The provisions of
21 R.S. 32:414 shall apply with regard to judicial review of the suspension and
22 reinstatement of the suspension.

23 J. For purposes of this Section, the office of motor vehicles shall not be
24 considered a collection agency as defined in R.S. 9:3534.1.

25 K.(1) The Department of Revenue, office of debt recovery, may provide
26 services for the administration and collection of payments due pursuant to
27 installment agreements entered into by a debtor and the office of motor vehicles
28 pursuant to this Section.

1 office of debt recovery or the office of the attorney general during the term of any
2 such installment agreement.

3 Section 4. This Section and Sections 2, 3, and 5 of this Act shall become effective
4 upon signature by the governor or, if not signed by the governor, upon expiration of the time
5 for bills to become law without signature by the governor, as provided by Article III, Section
6 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved
7 by the legislature, this Act shall become effective on the day following such approval.

8 Section 5. In the event that this Section and Section 2, 3, and 4 of this Act become
9 effective, Section 1 of this Act shall become effective on the date that the office of motor
10 vehicles begins entering into installment agreements pursuant to the authority granted in this
11 Act.

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 245 Engrossed

2016 Regular Session

Marcelle

Abstract: Authorizes the office of motor vehicles to enter into installment agreements to pay outstanding fees, penalties, and fines owed to the office of motor vehicles.

INSTALLMENT AGREEMENTS

Present law requires the Dept. of Public Safety and Corrections, office of motor vehicles, to collect certain fees, penalties, and fines.

Present law does not authorize or prohibit the office of motor vehicles from accepting partial payments on these outstanding amounts.

Proposed law requires, on or before Jan. 1, 2017, and thereafter, the office of motor vehicles enter into installment agreements with eligible persons to pay outstanding fines, penalties, and fees owed to the office of motor vehicles.

Proposed law prohibits an installment agreement from being used to pay sales or use taxes or related penalties and interest, vehicle registration license taxes, or titling fees when submitting a transaction to title or register a motor vehicle. Specifies that if the office of motor vehicles has previously sent a notice to the individual that the payment made on a motor vehicle title or registration transaction was dishonored by the bank processing the transaction, proposed law authorizes the office of motor vehicles to accept an installment agreement to collect that dishonored payment in addition to any fees, penalties, or interest that may be added to the total due to the dishonored payment.

Proposed law requires all notices provided by the office of motor vehicles notifying a person of outstanding fines, penalties, or fees inform such person that he may be eligible to pay the

outstanding amount due by installment agreement and to inquire with the office of motor vehicles to determine eligibility and requirements.

Proposed law requires all installment agreements to be in writing and signed by both parties.

Proposed law requires the office of motor vehicles to develop an official form to be utilized for installment agreements and provides that an installment agreement with the office of motor vehicles which does not utilize this form would not be valid.

Proposed law provides that a debtor who owes the office of motor vehicles \$250 or more in outstanding fines, penalties, or fees, or any combination thereof, is eligible to pay such amounts by means of an installment agreement with the office of motor vehicles should the following conditions be met:

- (1) All conditions of reinstatement other than payment of outstanding fines, penalties, and fees owed to the office of motor vehicles have be satisfied.
- (2) A request for an installment agreement is made within the time provided for in the notice from the office of motor vehicles informing the debtor of the outstanding fines, penalties, and fees owed to the office of motor vehicles.

Proposed law provides that upon termination of an installment agreement executed pursuant to proposed law, all outstanding amounts due under the installment agreement would final debt as defined by present law (R.S. 32:8 or R.S. 47:1676).

Proposed law provides that any installment agreement entered into pursuant to proposed law would constitute a waiver by the debtor of any right to administrative or judicial review regarding sums due under an installment agreement.

Proposed law provides that any notices provided to a debtor who enters into an installment agreement pursuant to proposed law would constitute satisfaction of the notice requirements of present law (R.S. 32:8 and R.S. 47:1676).

INSTALLMENT AGREEMENT TERMS

Proposed law requires any installment agreement to require a debtor to provide fixed and equal monthly payments as follows:

If the debtor owes \$250, the debtor must pay six equal monthly installments.

If the debtor owes from \$251 dollars to \$750, the debtor must pay 12 equal monthly installments.

If the debtor owes from \$751 to \$1500, the debtor must pay 24 equal monthly installments.

If the debtor owes from \$1,501 to \$2,500, the debtor must pay 36 equal monthly installments.

If the debtor owes from \$2,501 to \$4,999, the debtor must pay 48 equal monthly installments.

If the debtor owes \$5,000 or more, the debtor must pay up to 60 monthly installment payments.

Proposed law permits the commissioner of the office of motor vehicles to 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 requires the first payment of an installment agreement to be due upon execution of the installment agreement.

Proposed law allows prepayment of sums due pursuant to an installment agreement to be made without imposition of penalty.

Proposed law requires all installment agreement payments to be made through an electronic automated transaction initiated by the office of motor vehicles or a third party on behalf of the office of motor vehicles.

Proposed law permits such installment agreement payments to be made by bank draft, electronic funds transfer, or credit or debit card, including but not limited to reloadable prepaid credit or debit cards.

Proposed law requires all debtors to provide necessary information for installment payments to be paid by electronic automated transactions.

Proposed law requires that each time an installment agreement payment is made that the debtor will be issued a statement or receipt indicating the amount paid and the amount outstanding under the installment agreement.

Proposed law allows the commissioner of the office of motor vehicles to suspend an installment agreement executed pursuant to proposed law for up to 60 days following a request based upon good cause. Specifies that good cause would be determined by the commissioner.

Proposed law prohibits installment payments from being made during the period of suspension and requires that payments would resume upon the day following the last day of the suspension period.

Proposed law requires that any suspension of an installment agreement pursuant to proposed law would extend the term of the installment agreement by the length of any suspension. Requires a debtor's driving privileges would remain active during the suspension period unless otherwise blocked, revoked, or suspended.

REINSTATEMENT OF DRIVING PRIVILEGES UPON EXECUTION OF INSTALLMENT AGREEMENT

Present law requires the office of motor vehicles to revoke or suspend a person's driver's license or motor vehicle registration privileges when certain fees, penalties, and fines for failure to abide by certain highway regulatory laws or regulations, driver's license laws or regulations, motor vehicle compulsory security laws or regulations are not satisfied within the time period allowed by law or regulation.

Proposed law requires a debtor's Class "E" driving privileges and motor vehicle or truck registration privileges be reinstated when an installment agreement is executed by the debtor and the office of motor vehicles. Requires all blocks on the debtor's license record be removed at that time. Authorizes the office of motor vehicles to include the applicable fee for reinstatement of driving privileges in the total to be owed pursuant to an installment agreement entered into pursuant to proposed law.

Proposed law provides that if an installment payment is missed and no request for reinstatement of an installment agreement is made following demand from the commissioner of the office of motor vehicles or the commissioner rejects a request to reinstate an installment agreement, the debtor's driving privileges and motor vehicle or truck registration privileges will be suspended. Present law (R.S. 32:414) shall apply with regards to judicial review of the suspension and reinstatement of the suspension.

FAILURE TO MAKE PAYMENTS DUE UNDER AN INSTALLMENT AGREEMENT

Proposed law requires that in the event that any installment payment is not paid on or before the date fixed for its payment, the entire amount unpaid pursuant to the installment agreement shall be paid by the debtor within 60 days from the date of notice and demand from the commissioner of the office of motor vehicles.

Proposed law requires the notice from the office of motor vehicles to advise the debtor that his driver's license shall be suspended upon the expiration of the 60 days 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.

Proposed law requires that in the event that an installment agreement includes payment of delinquent or final debt as defined by present law (R.S. 32:8), such notice must include all information required by present law (R.S. 32:8).

Proposed law in the event that an installment agreement includes payment of delinquent or final debt as defined by present law (R.S. 47:1676), the notice must include all information required by present law (R.S. 47:1676).

The notice required by proposed law would satisfy the notice requirements of present law (R.S. 32:8 and R.S. 47:1676).

Proposed law permits the commissioner of the office of motor vehicles to reinstate an installment agreement if the request for reinstatement is made within 60 days from the date of the required notice of a missed payment and the debtor makes the payment.

INSTALLMENT AGREEMENTS AND REFERRAL TO THE OFFICE OF DEBT RECOVERY

Present law provides that fees associated with the suspension of an operator's license for failure to honor a written promise to appear before a court (R.S. 32:57.1) and failure to abide by certain automobile insurance requirements (R.S. 32:368 and 368.1) are defined as "debt".

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

Proposed law defines "delinquent debt" as a debt that is 60 days or more past due and for which the debtor has not entered into an installment agreement with the office of motor vehicles to pay.

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

Proposed law provides that an amount due shall not be "final" during the term of an installment agreement between the office of motor vehicles and the debtor.

Present law requires the office of motor vehicles to refer all "final delinquent debt" as those terms are defined in present law to be referred to the office of debt recovery for collection.

Present law requires the office of motor vehicles, prior to referral to the office of debt recovery, to notify a debtor in writing that failure to pay final delinquent debt in full within 60 days shall subject the debt to the maximum amount owed together with an additional fee collected by the office of debt recovery.

Proposed law permits a debtor to pay such "final delinquent debt" pursuant to an installment agreement prior to the debt being referred to the office of debt recovery.

Proposed law provides that if no request for reinstatement of an installment agreement is made within 60 days of the notice and demand required by proposed law, or the commissioner of the office of motor vehicles 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 by present law for which the following shall apply:

- (1) For sums due which are not debt as defined by R.S. 32:8, the office of motor vehicles may refer any amounts outstanding under the installment agreement for collection by the appropriate office.
- (2) For sums due which are debt as defined by R.S. 32:8, the office of motor vehicles must refer any amounts outstanding under the installment agreement to the Dept. of Revenue, office of debt recovery, for collection as provided in present law and the Dept. of Revenue, office of debt recovery, will provide a credit for amounts paid under an installment agreement executed pursuant to proposed law.

OFFICE OF DEBT RECOVERY AUTHORIZED TO ADMINISTER INSTALLMENT AGREEMENTS AND COLLECT INSTALLMENT PAYMENTS

Proposed law authorizes the Dept. of Revenue, office of debt recovery, to provide services for the administration and collection of payments due pursuant to installment agreements entered into by a debtor and the office of motor vehicles pursuant to proposed law.

Proposed law authorizes the Dept. of Revenue, office of debt recovery, to collect a transaction fee not to exceed \$3 for each payment made pursuant to an installment agreement.

Proposed law provides that the Dept. of Revenue, office of debt recovery, may charge fees authorized by present law relating to electronic transactions (R.S. 40:1322 and R.S. 49:316.1) to be completed pursuant to proposed law.

Proposed law provides that present law regarding installment agreements for tax related debt and payment of other types of debt administered by the Dept. of Revenue, office of debt recovery, would not apply to installment agreements executed pursuant to proposed law.

EFFECTIVE DATES

Proposed law provides that the effective date for the authorization for the office of motor vehicles to enter into installment agreements is upon signature of the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by the state constitution. If vetoed by the governor and subsequently approved by the legislature, the authorization shall be effective on the day following such approval.

Proposed law provides that changes to laws pertaining to debt which may be referred to the office of debt recovery for collection will become effective on such date as the office of motor vehicles begins entering into installment agreements as authorized by proposed law.

(Amends R.S. 32:8(A)(2) and (3), 57.1(C), 863(A)(3)(a) and 863.1(C)(1)(b); Adds R.S. 32:429.4 and R.S. 47:1676(L))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Transportation, Highways and Public Works to the original bill:

1. Make all outstanding amounts due under an installment agreement final debt upon termination of an installment agreement.
2. Provide that upon termination of an installment agreement executed pursuant to proposed law, all outstanding amounts due under the installment agreement would be final debt as defined by present law (R.S. 32:8 or R.S. 47:1676).
3. Provide that any installment agreement entered into pursuant to proposed law would constitute a waiver by the debtor of any right to administrative or judicial review regarding sums due under an installment agreement.
4. Provide that any notices provided to a debtor who enters into an installment agreement pursuant to proposed law would constitute satisfaction of the notice requirements of present law (R.S. 32:8 and R.S. 47:1676).
5. Specify that notice provided to a debtor who enters into an installment agreement with the office of motor vehicles would constitute satisfaction of any notice required by present law (R.S. 32:8 or R.S. 47:1676).
6. Change the minimum amount owed for which a debtor can enter into an installment agreement to pay from \$100 to \$250.
7. Require a debtor to make fixed monthly equal installment payments. Specify that the number of payments would be based upon the total amount owed, with a longer period of time to pay if the debtor owes more.
8. Require that the first payment of an installment agreement be made when the installment agreement is executed.
9. Require that all installment agreement payments would have to be by electronic automated transactions. Specify that this could be a bank draft, electronic funds transfer, credit or debit card including but not limited to reloadable prepaid debit or credit cards.
10. Authorize the commissioner of the office of motor vehicles to suspend an installment agreement for up to 60 days upon a showing of good cause. Specify that any such suspension would increase the term of the installment agreement by that time.
11. Allow a debtor 60 days rather than 30 days to become current with installment payments upon a missed payment.
12. Specify that if a debtor did not bring his installment agreement current or have the agreement reinstated within that 60-day period, certain debt would be final and required to be turned over to the office of debt recovery for collection and other debt would be final and allowed to be turned over to the office of debt recovery for collection.
13. Provide that the office of motor vehicles is not to be considered a debt collection agency as defined in present law (R.S. 9:3524.1).
14. Allow the office of debt recovery to provide administrative and collection services for installment agreements.

15. Allow the office of debt recovery to charge certain transaction and processing fees for collecting installment payments.
16. Provide that during the term of an installment agreement that debt cannot be referred to the office of debt recovery or the attorney general for collection.
17. Make technical changes.