

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 fifty dollars  
8 or more in outstanding fines, penalties, or fees, or any combination thereof, is  
9 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 fifty dollars, the debtor shall pay six  
19 equal monthly installments.

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

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

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

27 (5) If the debtor owes from two thousand five hundred one dollars to four  
28 thousand nine hundred ninety-nine dollars, the debtor shall pay forty-eight equal  
29 monthly installments.

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

6           D. The first payment of an installment agreement shall be due upon  
7           execution of the installment agreement.

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

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

17           (2) The debtor shall be issued a statement or receipt indicating the amount  
18           paid and the amount outstanding under the installment agreement each time an  
19           installment agreement payment is made.

20           G. The commissioner of the office of motor vehicles may suspend an  
21           installment agreement executed pursuant to this Section for up to sixty days  
22           following a request based upon good cause. Good cause shall be determined by the  
23           commissioner. During the term of the suspension of the installment agreement, no  
24           payments shall be made under the installment agreement. Payments shall resume  
25           upon the day following the last day of the suspension period. Any suspension of an  
26           installment agreement pursuant to this Subsection shall extend the term of the  
27           installment agreement by the length of any suspension. A debtor's driving privileges  
28           shall remain active during the suspension period unless otherwise blocked, revoked,  
29           or suspended.

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

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

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

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



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

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

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

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

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

26           **(2)(a) The Department of Revenue, office of debt recovery, may collect a**  
27           **transaction fee not to exceed three dollars for each payment made pursuant to an**  
28           **installment agreement authorized in this Section.**

1                   (b) For purposes of this Section, the Department of Revenue, office of debt  
2 recovery, shall be an authorized agent of the Department of Public Safety and  
3 Corrections, public safety services, and may charge fees authorized by R.S. 40:1322  
4 for transactions to be completed pursuant to this Section.

5                   (c) The Department of Revenue, office of debt recovery, may charge fees  
6 authorized pursuant to R.S. 49:316.1 for transactions to be completed pursuant to this  
7 Section.

8                   (d) The provisions of R.S. 47:1576.2 shall not apply to services provided by  
9 the Department of Revenue, office of debt recovery, pursuant to this Section.

10                   L. The office of motor vehicles and the Department of Revenue, office of  
11 debt recovery, may adopt rules and regulations in accordance with the  
12 Administrative Procedure Act to implement the provisions of this Section.

13 Section 3. R.S. 47:1676(L) is hereby enacted to read as follows:

14 §1676. Debt recovery

15   \*       \*       \*

16                   L.(1) The terms "delinquent" and "final" as defined in this Section shall not  
17 apply to "debt" defined by R.S. 32:8(A)(1). For purposes of this Section, the terms  
18 "final" and "delinquent" as defined in R.S. 32:8 shall apply to "debt" defined by R.S.  
19 32:8(A)(1).

20                   (2) Any debt, defined by R.S. 32:8(A)(1) or this Section, owed to the  
21 Department of Public Safety and Corrections, office of motor vehicles, shall not be  
22 "final" during the term of an installment agreement between a debtor and the  
23 Department of Public Safety and Corrections, office of motor vehicles, entered into  
24 pursuant to R.S. 32:429.4. Additionally, delinquent or final debt for which a debtor  
25 and the Department of Public Safety and Corrections, office of motor vehicles, have  
26 entered into an installment agreement for the payment of shall not be referred to the  
27 office of debt recovery or the office of the attorney general during the term of any  
28 such installment agreement.

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

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

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#### 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)]

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HB 245 Reengrossed

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 been 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 be 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.

The House Floor Amendments to the engrossed bill:

1. Make technical changes.
2. Correct an effective date for a section of the bill.