

2016 First Extraordinary Session

HOUSE BILL NO. 111

BY REPRESENTATIVE MARCELLE

FUNDS/FUNDING: To eliminate the Debt Recovery Fund (Item #7)

1 AN ACT

2 To amend and reenact R.S. 32:8(B) and R.S. 47:1676(E)(1) and to repeal R.S. 47:1676(E)(2)  
3 and (3), relative to the elimination of the Debt Recovery Fund; to provide for the  
4 elimination of the Debt Recovery Fund; to provide for nullification of appropriations  
5 from the Debt Recovery Fund; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 32:8(B) is hereby amended and reenacted to read as follows:

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

9 \* \* \*

10 B. The office of motor vehicles shall refer all final delinquent debts to the  
11 office of debt recovery as provided in R.S. 47:1676. Final delinquent debt referrals  
12 shall include data and information in the required format necessary to institute  
13 collection procedures. All delinquent debts shall be authenticated by the office of  
14 motor vehicles prior to being referred to the office of debt recovery. Once the  
15 delinquent debt becomes final, and prior to referral to the office of debt recovery,  
16 the office of motor vehicles shall notify the debtor in writing that failure to pay the  
17 debt in full within sixty days shall subject the debt to the maximum amount owed  
18 together with the additional fee collected by the office of debt recovery provided for  
19 in R.S. 47:1676. ~~All funds collected pursuant to the provisions of this Act shall be~~

1 ~~deposited into the Debt Recovery Fund and utilized for the office of state police in~~  
2 ~~the amount of twenty-five million dollars.~~

3 \* \* \*

4 Section 2. R.S. 47:1676(E)(1) is hereby amended and reenacted to read as follows:

5 §1676. Debt recovery

6 \* \* \*

7 E.~~(1)~~ The office shall charge the debtor a fee not to exceed twenty-five  
8 percent of the total liability of debt which has become final after the initial effective  
9 date of this Section. The amount of the fee shall be established by rule promulgated  
10 by the department and shall be uniformly applied to all debts. Fees collected under  
11 this Subsection shall be retained by the office after the debt is collected and shall be  
12 divided in accordance with an agreement between the office and the office of the  
13 attorney general after payment of costs set forth in the agreement. Monies collected  
14 by the office pursuant to the provisions of this Section shall be transferred to the  
15 ~~Debt Recovery Fund~~ referring agency within thirty days after the end of the month  
16 in which the monies were collected and shall be used by the referring agency as they  
17 would have been had they been timely collected. However, any monies collected for  
18 delinquent debt as a result of nonpayment of tax liabilities pursuant to Title 47 of the  
19 Louisiana Revised Statutes of 1950, as amended, after deposit into the state general  
20 fund, the first five million dollars shall be appropriated by the legislature beginning  
21 in Fiscal Year 2013-2014, and for four consecutive fiscal years thereafter, to the  
22 office of state police for a training academy class.

23 \* \* \*

24 Section 3. R.S. 47:1676(E)(2) and (3) are hereby repealed in their entirety.

25 Section 4. The appropriation contained in Act 16 (House Bill No. 2) of the 2015  
26 Regular Session of the Legislature out of the State General Fund by statutory dedications out  
27 of the Debt Recovery Fund to the Department of Transportation and Development for the  
28 Highway Program and the Secretary's Emergency Fund is null and void and of no effect and  
29 the state treasurer is ordered to refuse to honor any warrant drawn upon such appropriation.

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

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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 111 Original

2016 First Extraordinary Session

Marcelle

**Abstract:** Eliminates the Debt Recovery Fund. Provides that monies in the fund will revert to the agency which referred the debt. Nullifies current fiscal year appropriations from the fund to the Dept. of Transportation and Development.

Present law authorizes the Dept. of Public Safety and Corrections, office of motor vehicles, to collect certain fees related to suspension of an operator's license (R.S. 32:57.1) and automobile insurance requirement violations (R.S. 32:863 and 863.1). Further provides that such fees are due within 60 days of the date of the notice to pay these fees and that after 60 days these fees shall be considered final delinquent debt.

Present law requires the office of motor vehicles to refer all final delinquent debt to the office of debt recovery within the Dept. of Revenue for collection.

Proposed law retains present law.

Present law provides for the deposit of monies from the collection of delinquent debt by the office of debt recovery be deposited into the Debt Recovery Fund. After satisfying warrants drawn upon the fund for the return of nonstate monies, unexpended and unencumbered monies in the fund at the end of a fiscal year shall remain in the fund unless appropriated.

Proposed law eliminates the Debt Recovery Fund and requires that monies collected by the office of debt recovery be transferred to the state agency which referred delinquent debt to the office of debt recovery for collection within 30 days of the collection.

Present law provides for appropriation of monies deposited into the Debt Recovery Fund as a result of the collection of fees owed to the office of motor vehicles to be appropriated to the Dept. of Transportation and Development for the Highway Program and the Secretary's Emergency Fund (Act 16 (House Bill No. 2) of the 2015 Regular Session of the Legislature).

Proposed law nullifies present law appropriation.

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

(Amends R.S. 32:8(B) and R.S. 47:1676(E)(1); Repeals R.S. 47:1676(E)(2) and (3))