

2016 Regular Session

HOUSE BILL NO. 659

BY REPRESENTATIVE JAMES

COURTS: Provides with respect to court costs

1 AN ACT

2 To amend and reenact R.S. 13:1898(A) and to enact R.S. 13:1898(D), relative to the
3 collection of certain fees; to provide for a maximum collection fee on unpaid fines,
4 forfeitures, penalties, or costs; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 13:1898(A) is hereby amended and reenacted and R.S. 13:1898(D)
7 is hereby enacted to read as follows:

8 §1898. Collection and disposition of fines, forfeitures, penalties, and costs in city
9 court

10 A. Except as otherwise provided by special law and in Subsection B of this
11 Section, the clerk of the city court or the marshal, as designated by the judge, or a
12 private collection agency as authorized by contract with the municipal governing
13 authority, shall collect all fines, forfeitures, penalties, and costs, and all funds so
14 collected by them, excluding costs, shall be paid into the city treasury when the
15 prosecution is on behalf of the city and into the parish treasury to be deposited in the
16 parish general fund and used as a general expenditure of the parish, in parishes other
17 than Orleans, when the prosecution is on behalf of the state or parish. ~~The amount~~
18 ~~of the debt shall not be reduced if collected by a private collection agency.~~

19 * * *

1 D.(1) If the fines, forfeitures, penalties, or costs are not paid when due, a
 2 private collection agency may charge a collection fee not to exceed twenty-five
 3 percent of the balance owed. Any fee charged pursuant to this Subsection shall be
 4 paid from the fine, forfeiture, penalty, cost, or other amount owed.

5 (2) The collection of all unpaid fines, forfeitures, penalties and costs by a
 6 private collection agency shall commence only after a demand letter has been sent
 7 to the obligor's address of record giving the obligor thirty days from the date of such
 8 demand letter to pay the total amount due.

9 (3) Any collection fee charged by a private collection company pursuant to
 10 the provisions of this Section shall be deducted from the total amount of the debt
 11 owed.

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 659 Reengrossed

2016 Regular Session

James

Abstract: Increases the maximum fee that can be collected by a collection agency for the payment of certain overdue fines, forfeitures, penalties, and costs.

Present law authorizes the clerk of a city court, a marshal, or a private collection agency as authorized by contract to collect all fines, forfeitures, penalties, and costs, and provides that all funds so collected, excluding costs, shall be paid into the city treasury or parish treasury, depending on whose behalf the money is being collected. Provides that the amount of the debt shall not be reduced if collected by a private collection agency.

Proposed law retains present law except it removes the provision that the amount of the debt shall not be reduced if collected by a private collection agency.

Proposed law provides that collection of the debt by private collection agency shall commence only after a demand letter has been sent to the obligor's address giving him 30 days to pay the total amount due.

Proposed law provides that any fee charged by a private collection agency shall be paid from the fine, forfeiture, penalty, cost or other amount owed.

(Amends R.S. 13:1898(A); Adds R.S. 13:1898(D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Judiciary to the original bill:

1. Removes proposed law provisions regarding the 25% processing fee on fines, forfeitures, penalties, or costs paid by credit card or electronic check, and reinstates the present law 5% fee.
2. Provides that if fines, forfeitures, penalties, or costs are overdue, a private collection agency may charge a collection fee not to exceed 25% of the balance owed.

The House Floor Amendments to the engrossed bill:

1. Removes present law provision that provides that the amount of the debt shall not be reduced if collected by a private collection agency.
2. Adds a provision that collection of the debt by private collection agency shall commence only after a demand letter has been sent giving the obligor 30 days to pay the total amount due.
3. Adds a provision that collection fees charged by a private collection agency shall be deducted from the total amount of the debt owed.
4. Adds a provision that any fee charged by a private collection agency shall be paid from the fine, forfeiture, penalty, cost or other amount owed.
6. Makes technical correction to remove a provision of law not being affected by this bill.