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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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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DIGEST

SB 414 Reengrossed 2026 Regular Session Talbot

Proposed law defines the terms "medical creditor", "medical debt", "medical debt collector", and "medically necessary care".

Proposed law limits interest on medical debt arising from medically necessary care to no more than 3% per annum and provides that any contractual provision imposing a higher rate is void.

Proposed law authorizes the attorney general to seek civil penalties for violations under proposed law and further requires the attorney general to establish a complaint process for alleged violations, that are subject to public records laws, except for any complaint with personal identifying information.

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

(Adds R.S. 51:1501-1504)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Commerce, Consumer Protection, and International Affairs to the original bill

1. Excludes from the definition of "medical debt" any loan or credit issued by federally insured financial institution or its affiliates, as well as any amounts charged to a credit card.
2. Increases the cap on interest for medical debt arising from medically necessary care from 2% to 3% per annum.
3. Removes provisions that prohibits wage or bank account garnishment and placing a lien on or foreclosure against a person's primary residence or vehicle for collection of medical debt arising from medically necessary care.
4. Removes requirement that healthcare providers or medical creditors include contractual provisions with third-party debt collectors prohibiting wage garnishments, liens, or foreclosure for certain medical debts.
5. Removes the private right of action.

6. Makes technical changes.

Senate Floor Amendments to engrossed bill

1. Removes the term "Federal Poverty Level".
2. Make technical changes.