
DIGEST

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Broadwater

HB No. 741

Abstract: Allows sale and securitization of long-term delinquent accounts receivable and other obligations due to the state. Requires sale or securitization of 25% of such receivables in calendar year 2013 and 2014 or justification why such sale or securitization did not occur.

Present law requires the division of administration to prescribe a comprehensive policy and procedure for debt collection to be used by all state agencies. Further requires the Cash Management Review Board to prepare a collection policy and procedure manual establishing the state's accounts receivable collection policies and procedures.

Proposed law specifies that the term "collection" includes the sale or securitization of long-term delinquent accounts receivable. Further provides that the collection policy and procedure required by present law shall include a policy and procedure for the sale or securitization of long-term delinquent accounts receivable and other obligations due to the state.

Proposed law provides that pools of accounts and obligations shall be approved for sale or securitization by the Cash Management Review Board upon recommendation of the commissioner of administration or its own, and carried out by the commissioner.

Proposed law, for calendar year 2013 and for calendar year 2014, requires the commissioner of administration to recommend pools of long-term accounts and obligations for sale or securitization, subject to approval, to the Cash Management Review Board. Requires the recommendation of not less than 25% of the aggregate face dollar amount existing on the first day of each calendar year. Requires the commissioner to report to the Joint Legislative Committee on the Budget prior to the end of each such calendar year the results of such sale or securitization, or the reason for which the required percentage of accounts and obligations were not sold or securitized.

Proposed law sunsets Dec. 31, 2014, unless reenacted by the legislature.

Proposed law authorizes the commissioner of administration to exclude any debt which he deems uncollectible.

Proposed law specifies that the provisions of proposed law shall not apply to any debt owed to the state due to treatment rendered at a state-owned hospital.

Directs the La. State Law Institute to redesignate and renumber the provisions of R.S. 39:88.3 as

R.S. 39:88.4 and R.S. 39:88.4 as R.S. 39:88.5.

(Adds R.S. 39:88.3)