

Regular Session, 2012

HOUSE BILL NO. 741

BY REPRESENTATIVE BROADWATER

STATE AGENCIES: Provides with respect to collection policy and procedure used by all state agencies

1 AN ACT

2 To enact R.S. 39:88.3, relative to the Louisiana Collection Policy and Procedure Act; to
3 provide for the sale or securitization of long-term delinquent accounts receivable and
4 other obligations due to the state; to provide for selling or securitizing certain
5 percentages in 2013 and 2014; to provide for reporting results of such sale or
6 securitization; to direct the Louisiana State Law Institute to redesignate the
7 provisions of R.S. 39:88.3 and 88.4 as R.S. 39:88.4 and 88.5; to provide for
8 exceptions; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 39:88.3 is hereby enacted to read as follows:

11 §88.3. Collection by sale or securitization; direction to the commissioner

12 A. The term "collection" as used in this Subpart shall include the sale or
13 securitization of long-term delinquent accounts receivable and all other obligations
14 subject to the provisions of this Subpart.

15 B. The collection policy and procedure required by R.S. 39:88.2 shall
16 include a policy and procedure for the sale or securitization, in pools, after appraisal
17 or evaluation of the value of each pool, of long-term delinquent accounts receivable
18 and all other obligations subject to this Subpart.

1 C. Pools of these accounts and obligations, including those made up of the
2 accounts and obligations of various state agencies, shall be approved for sale or
3 securitization by the Cash Management Review Board upon recommendation of the
4 commissioner of administration or its own decision, and, after such approval, carried
5 out and implemented by the commissioner.

6 D.(1) During each of calendar years 2013 and 2014, the commissioner of
7 administration is directed to recommend and present to the Cash Management
8 Review Board, for sale or securitization approval, and thereafter implementation,
9 pools of such long-term accounts and obligations of not more than twenty-five
10 percent of the aggregate face dollar amount of such accounts and obligations existing
11 as of the first day of each such year, and shall report the results of such sale or
12 securitization to the Joint Legislative Committee on the Budget prior to the end of
13 each year; provided, however, notwithstanding provisions to the contrary herein, this
14 Subsection shall sunset and no longer be of any effect on December 31, 2014, unless
15 reestablished or replaced by appropriate legislative enactment.

16 (2) The commissioner of administration is authorized to exclude, at his
17 discretion, any debt which he deems to be uncollectible.

18 (3) The provisions of this Section shall not apply to any debt owed to the
19 state due to medical treatment rendered at a state-owned hospital.

20 E. The attorney general is authorized to exclude, at his discretion, any debt
21 which he deems uncollectible pursuant to debt collection activities undertaken by the
22 attorney general.

23 Section 2. The Louisiana State Law Institute is hereby directed to redesignate and
24 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.

25 Section 3. The Louisiana State Law Institute is further directed to make technical
26 changes to statutory laws as necessary to reflect the statutory redesignation required by this
27 Act.

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)]

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 more 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.

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.

Proposed law authorizes the attorney general to exclude any debt which he deems uncollectible pursuant to debt collection activities undertaken by him.

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)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Appropriations to the original bill.

1. Changed amount to be securitized from not less than 25% to not more than 25% of the aggregate face dollar amount of receivables.
2. Specified that the attorney general is authorized to exclude any debt which he deems uncollectible pursuant to debt collection activities undertaken by him.