

## 2016 Regular Session

SENATE BILL NO. 410

BY SENATOR BROWN

MOTOR VEHICLES. Provides relative to payment for fees and fines due the office of motor vehicles. (gov sig)

# 1 AN ACT

2 To amend and reenact R.S. 32:8, 57.1(C), 863(A)(3)(a), and 863.1(C)(1)(b) and to enact  
3 R.S. 32:9, 10 and 11, relative to motor vehicles; to provide for payment of monies  
4 owed to the office of motor vehicles; to authorize the office of motor vehicles to  
5 enter into installment agreements; to authorize the office of motor vehicles to register  
6 motor vehicles and issue driver's licenses to persons during the term of an installment  
7 agreement; to authorize offer in compromise; to require the office of motor vehicles  
8 to offer a debt amnesty program; to provide for an amnesty period and requirements;  
9 to authorize the promulgation of rules and regulations; and to provide for related  
10 matters

11        Be it enacted by the Legislature of Louisiana:

17 (1) "Debt" means any legally collectible liquidated sum due and owed to the

Department of Public Safety and ~~Correction~~ Corrections, office of motor vehicles, pursuant to R.S. 32:57.1, 863, or 863.1.

(2) "Delinquent debt" means a debt that is sixty days or more past due and for which the debtor has not entered into an installment agreement with the office of motor vehicles for payment.

(3) "Final debt" means the amount due is no longer negotiable and that the debtor has no further right of administrative and judicial review. No debt shall be final during the term of an installment agreement between the office of motor vehicles and the debtor.

(4) "Offer in compromise" means an offer of payment in full of a delinquent or final debt for less than the full amount of the debt due.

**(5) "Non-final delinquent debt" means any debt that the office of motor vehicles has notified the debtor is owed but remains unpaid, due, or negotiable for a period of ninety days or more and the debtor has further administrative or judicial review rights to challenge the validity of the debt or the amount owed.**

**(6)** "Office of motor vehicles" means the Department of Public Safety and Corrections, office of motor vehicles.

B.(1) The office of motor vehicles shall refer all final and non-final delinquent debts to the office of debt recovery as provided in R.S. 47:1676. Final and non-final delinquent debt referrals shall include data and information in the required format necessary to institute collection procedures.

**(2)** All delinquent debts shall be authenticated by the office of motor vehicles prior to being referred to the office of debt recovery.

**(3) Once the When delinquent debt becomes final, and prior to referral to the office of debt recovery, the office of motor vehicles shall notify the debtor in writing that failure to pay the debt in full within sixty days shall subject the debt to the maximum amount owed together with the additional fee collected by the office of debt recovery provided for in R.S. 47:1676.**

1                   C. The office of motor vehicles may promulgate rules and regulations in  
2                   accordance with the Administrative Procedure Act necessary to implement the  
3                   provisions of this Section, including rules for referring ~~final~~ delinquent debt to the  
4                   office of debt recovery.

5                   **§9. Installment agreement; debt due the office of motor vehicles**

6                   **A.(1) The office of motor vehicles may enter into an installment**  
7                   **agreement with eligible persons to pay debt for fines, penalties, and fees due to**  
8                   **the office of motor vehicles as defined in R.S. 32:8.**

9                   **(2) The office of motor vehicles shall send notice of outstanding fines,**  
10                   **penalties, and fees owed to the debtor as provided in R.S. 32:852(E). The notice**  
11                   **shall inform the debtor that he may qualify to pay outstanding fines, penalties,**  
12                   **and fees by installment agreement. The notice shall inform the debtor of the**  
13                   **time period to apply for an installment agreement and the eligibility**  
14                   **requirements for and terms applicable to the installment agreement.**

15                   **(3) The office of motor vehicles shall develop an official form for an**  
16                   **installment agreement authorized by this Section. No installment agreement**  
17                   **shall be valid unless it is on this form.**

18                   **B. A debtor who owes the office of motor vehicles five hundred dollars**  
19                   **or more in outstanding fines, penalties, or fees, or any combination thereof, is**  
20                   **eligible to pay such amounts by means of an installment agreement provided the**  
21                   **debtor meets all of the following conditions:**

22                   **(1) All reinstatement conditions except payment of outstanding fines,**  
23                   **penalties, and fees due to the office of motor vehicles are satisfied.**

24                   **(2) The debtor requests an installment agreement in the time period**  
25                   **provided in the notice to the debtor from the office of motor vehicles.**

26                   **C. Installment agreements between the office of motor vehicles and a**  
27                   **debtor shall be in writing and signed by both parties.**

28                   **D. The terms of an installment agreement shall provide for the following:**

29                   **(1) A requirement that the debtor shall pay twenty percent of**

1 outstanding fines, penalties, and fees due to the office of motor vehicles upon  
2 execution of the agreement.

3 (2) A requirement that the debtor shall pay the remaining outstanding  
4 fines, penalties, and fees owed in not more than four installments.

5 (3) Authorize the debtor to prepay any amount due under the installment  
6 agreement in full at any time without penalty.

7 E.(1) All payments made pursuant to an installment agreement shall be  
8 paid by check, bank draft, post office money order, express money order,  
9 electronic funds transfer, or credit or debit cards. Credit card and debit card  
10 payments shall be assessed a convenience fee as provided in R.S. 49:316.1.

11 (2) The office of motor vehicles shall issue a receipt to a debtor each time  
12 he makes a payment on an installment agreement that shows the amount paid  
13 and the amount outstanding under the installment agreement.

14 F.(1) If any installment payment is not paid on or before the date fixed  
15 for its payment, the entire unpaid balance due under the installment agreement  
16 shall be paid by the debtor not later than thirty days from the date of notice and  
17 demand from the office of motor vehicles. The notice shall further advise the  
18 debtor that his driver's license shall be suspended upon the expiration of the  
19 thirty-day period if payment due under the installment agreement is not made  
20 within that thirty-day period.

21 (2) The office shall reinstate the installment agreement with a debtor  
22 who makes payment of a missed installment provided the debtor makes  
23 payment not later than thirty days from the date of notice.

24 (3) If a debtor fails to pay and the office of motor vehicles terminates the  
25 installment agreement, the office of motor vehicles shall refer any balance due  
26 under the installment agreement to the Department of Revenue, office of debt  
27 recovery, for collection as provided in R.S. 47:1676.

28 G.(1) A debtor's Class "E" driver's license and motor vehicle  
29 registration shall be reinstated and all blocks on the debtor's record shall be

1                   removed upon execution of an installment agreement between the debtor and  
2                   the office of motor vehicles. Applicable reinstatement fees for a driver's license  
3                   and motor vehicle registration may be included in the amount due under an  
4                   installment agreement entered into pursuant to this Section.

5                   (2) If a debtor misses an installment payment and fails to request  
6                   reinstatement of an installment agreement, the debtor's driver's license and  
7                   motor vehicle registration shall be suspended thirty days after the date of notice  
8                   from the office of motor vehicles. The provisions of R.S. 32:414 shall apply to  
9                   judicial review and reinstatement of the suspension.

10                   H. The office of motor vehicles may adopt rules and regulations not  
11                   inconsistent with the provisions of this Section to implement the provisions of  
12                   this Section in accordance with the Administrative Procedures Act.

13                   **§10. Offer in compromise; debt due office of motor vehicles**

14                   A.(1) The office of motor vehicles may negotiate for final payment of  
15                   delinquent debt as an offer in compromise with eligible persons for fines,  
16                   penalties, and fees due to the office as defined in R.S. 32:8.

17                   (2) All notices of outstanding fines, penalties, and fees owed to the office  
18                   shall inform the debtor that he may qualify to pay sums due under an offer in  
19                   compromise and to inquire with the office to determine eligibility and terms.

20                   B. The office of motor vehicles may reduce the total amount of debt by  
21                   an amount not to exceed twenty-five percent of the debt in exchange for full  
22                   payment in lieu of payment by installment agreement.

23                   C. Notwithstanding any other law to the contrary, at no time shall the  
24                   total amount of penalties, fines, and fees due to the office of motor vehicles  
25                   assessed to a debtor under R.S. 32:57.1, 863, and 863.1 exceed the maximum  
26                   amount of four thousand dollars.

27                   D. The office of motor vehicles may adopt rules and regulations not  
28                   inconsistent with the provisions of this Section to implement the provisions of  
29                   this Section in accordance with the Administrative Procedures Act.

1                   §11. Debt amnesty program; office of motor vehicles

2                   A. The office of motor vehicles shall develop and implement a debt  
3                   amnesty program to collect debt for fines, penalties, and fees due to the office  
4                   of motor vehicles as defined in R.S. 32:8. The office shall publicize the debt  
5                   amnesty program to maximize the public's awareness of and participation in  
6                   the program.

7                   B. The debt amnesty program shall be effective for a period of at least  
8                   two months duration in 2016 occurring prior to December 31, 2016.

9                   C. The debt amnesty program shall apply to debt due to the Department  
10                   of Public Safety and Corrections, office of motor vehicles, pursuant to R.S.  
11                   32:57.1, 863, or 863.1 on the effective date of this Section.

12                   D. Debtors with debt in the amount of one thousand dollars or more are  
13                   eligible to participate in the debt amnesty program. Amnesty debt payments  
14                   shall be paid in full during the amnesty period.

15                   (1) If a debtor has debt of one thousand dollars or more for violation or  
16                   multiple violations of R.S. 32:57.1, the amnesty debt payment due shall not  
17                   exceed five hundred dollars.

18                   (2) If a debtor has debt of one thousand dollars or more for violation or  
19                   multiple violations, pays the debt in full during the amnesty period, and  
20                   provides proof of insurance, the amnesty debt payment due shall not exceed  
21                   eight hundred fifty dollars for debt incurred pursuant to R.S. 32:863(A)(1) and  
22                   shall not exceed one thousand seventy-five dollars for debt incurred pursuant  
23                   to R.S. 32:863(A)(2).

24                   (3) If a debtor has debt of one thousand dollars or more for violation or  
25                   multiple violations of R.S. 32:863.1, pays the debt in full during the amnesty  
26                   period, and provides proof of insurance, the amnesty debt payment due shall  
27                   not exceed five hundred dollars.

28                   (4) No amnesty payment for debt of a person sixty-five years or older,  
29                   including administrative fees, shall exceed two hundred fifty dollars.

1                   E. Upon receipt of the amnesty payment, the office of motor vehicles  
2                   shall clear the debtor's record at the office of motor vehicles and reinstate the  
3                   debtor's driver's license and motor vehicle registration.

4                   \*           \*           \*

5                   §57.1. Failure to honor written promise to appear; penalty; disposition of fines

6                   \*           \*           \*

7                   C. If after sixty calendar days from the date of the notification issued by the  
8                   Department of Public Safety and Corrections as required in Subsection A of this  
9                   Section the arrested person has failed to comply, to enter into an installment  
10                   agreement, or to enter into an offer in compromise with the office of motor  
11                   vehicles, the fees provided for in this Section shall be considered final delinquent  
12                   debt. If the person has entered into an installment agreement and missed a  
13                   payment, the provisions of R.S. 32:9(F)(3) shall govern when the fees provided  
14                   for in this Section shall be considered final delinquent debt.

15                   \*           \*           \*

16                   §863. Sanctions for false declaration; reinstatement fees; revocation of registration;  
17                   review

18                   A.

19                   \*           \*           \*

20                   (3)(a) Sanctions for a violation of Paragraph (1) of this Subsection shall be  
21                   imposed until proof of required liability security is provided to the secretary and all  
22                   reinstatement fees are paid or an installment agreement is executed to provide for  
23                   payment of such reinstatement fees. Sanctions for a violation of Paragraph (2) of  
24                   this Subsection shall be imposed for a period of not less than twelve months ~~nor~~  
25                   ~~more than eighteen months~~. However, in no event shall these sanctions be removed  
26                   until such time as proof of the required security is provided to the secretary along  
27                   with all appropriate fees required by law, including a reinstatement fee of one  
28                   hundred dollars per violation of Paragraph (1) of this Subsection if the vehicle was  
29                   not covered by the required security for a period of one to thirty days, two hundred

1               fifty dollars if the vehicle was not covered by required security for a period of  
2               thirty-one to ninety days, and five hundred dollars if the vehicle was not covered by  
3               required security for a period in excess of ninety days. No reinstatement fee shall  
4               be imposed by the secretary if the vehicle was not covered by required security for  
5               a period of ten days or less and the insured surrenders the vehicle's license plate to  
6               the secretary within ten days. The reinstatement fees for violations of Paragraph (2)  
7               of this Subsection shall be as follows: two hundred fifty dollars for a first violation,  
8               five hundred dollars for a second violation, and one thousand dollars for a third or  
9               subsequent violation. The reinstatement fee shall not be owed for an alleged  
10               violation of Paragraph (2) of this Subsection when proof of the required security is  
11               provided to the secretary within sixty days of the date of the notice. If at the time of  
12               reinstatement, a person has multiple violations and is within sixty days of the notice,  
13               the total amount of fees to be paid shall not exceed eight hundred fifty dollars, for  
14               violations of Paragraph (1) of this Subsection, one thousand seventy-five dollars for  
15               violations of Paragraph (2) of this Subsection. At no time shall the total amount of  
16               fees, including administrative fees, exceed two hundred fifty dollars for persons  
17               sixty-five years or older. After sixty days of the date of the notice or if an  
18               installment agreement has not been entered into, all fees shall be considered final  
19               delinquent debt and therefore owed, ~~and the eight hundred fifty dollar limit for~~  
20               persons under sixty-five years shall no longer apply. If the person has entered into  
21               an installment agreement and missed a payment, the provisions of R.S.  
22               32:9(F)(3) shall govern when the fees provided for in this Section shall be  
23               considered final delinquent debt.

24               \*           \*           \*

25               §863.1. Evidence of compulsory motor vehicle liability security contained in  
26               vehicle; enforcement; penalty; fees

27               \*           \*           \*

28               C.(1)

29               \*           \*           \*

(b) The owner of the vehicle shall have three calendar days, excluding Saturdays, Sundays, and legal holidays, from the date that the notice of noncompliance was issued to present to the office of motor vehicles proof of insurance coverage or security in effect at the time of the issuance of the notice of noncompliance. If the vehicle was properly insured at the time the notice was issued, any valid license plate shall be returned within forty-eight hours, exclusive of legal holidays, to the owner of the vehicle at no cost to the owner. However, if, within sixty days from the date the notice of noncompliance is issued, the owner fails to provide proof of the fact that the vehicle was properly insured at the time the notice of noncompliance was issued, the chief administrative officer of the office of motor vehicles shall destroy, or shall cause to be destroyed, the license plate removed from that owner's vehicle and shall notify the secretary that the owner of the vehicle is not in compliance with the compulsory liability law. Upon receipt of such notification, the secretary shall revoke the registration of such vehicle. Sixty days after the date of issuance of the notice of noncompliance, the fees imposed in this Section shall be owed ~~even if unless~~ the owner subsequently provides proof the motor vehicle was insured, ~~and all such fees Fees that remain unpaid sixty days after issuance of the notice of compliance shall be considered final delinquent debt, unless the debtor has entered into an installment agreement with the office of motor vehicles to pay such fees. If the person has entered into an installment agreement and missed a payment, the provisions of R.S. 32:9(F)(3) shall govern when the fees provided for in this Section shall be considered final delinquent debt.~~

---

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Sharon F. Lyles.

---

DIGEST  
SB 410 Original      2016 Regular Session      Brown

### **INSTALLMENT AGREEMENTS**

Present law authorizes the Dept. of Public Safety and Corrections, office of motor vehicles (OMV), to collect certain fees, penalties, and fines.

Present law neither authorizes nor prohibits the OMV from accepting partial payments on these outstanding amounts.

Proposed law requires the OMV to enter installment agreements with eligible persons for payment of outstanding fines, penalties, and fees.

Proposed law requires the OMV to notify a person of outstanding fines, penalties, or fees and to inform persons that they may be eligible to pay the outstanding amount due by installment agreement and to inquire with the OMV to determine eligibility and requirements.

Proposed law requires that OMV develop an official installment agreement form and provides no other installment agreement form is valid.

Proposed law provides that a person shall be eligible to enter into an installment agreement with the OMV upon making a timely request and upon meeting all conditions of reinstatement other than payment of the outstanding fines, penalties, or fees.

Proposed law provides that a debtor who owes OMV \$500 or more in outstanding fines, penalties, or fees, or any combination thereof, is eligible to pay via an installment agreement with the OMV on meeting the following conditions:

- (1) All conditions of reinstatement other than payment of outstanding fines, penalties, and fees owed to OMV have been satisfied.
- (2) A timely request for an installment agreement has been made.

Proposed law requires an installment agreement between OMV and a debtor to be in writing and signed by both parties.

Proposed law provides for the terms of an installment agreement between the OMV and a debtor to provide for the following:

- (1) A requirement that 20% of outstanding fines, penalties, and fees due are paid upon execution of the agreement and to allow the debtor to pay the remaining outstanding fines, penalties, and fees owed in at least four installments.
- (2) Authorize the debtor to prepay sums due under the installment agreement in full at any time without penalty.

Proposed law requires a debtor to make all payments on an installment agreement by check, bank draft, post office money order, express money order, electronic funds transfer, or credit or debit cards. Requires assessment of a convenience fee as provided in present law (R.S. 49:316.1) on credit card and debit card payments.

Proposed law requires OMV to provide a receipt to a debtor when each payment is made and

to indicate the balance outstanding under the installment agreement.

Proposed law requires payment of the entire unpaid amount under an installment agreement within 30 days of notice and demand when a debtor misses an installment payment.

Proposed law requires OMV to refer unpaid installment agreements to the Department of Revenue, office of debt recovery (ODR), for collection after notice to the debtor and subjects the debtor to an additional fee collected by the ODR.

Present law requires OMV to revoke or suspend a person's driver's license or motor vehicle registration when certain fees, penalties, and fines are not satisfied within the time period allowed by law or regulation.

Proposed law requires reinstatement of a debtor's Class "E" driver's license and motor vehicle upon execution of an installment agreement between the debtor and OMV and requires removal of all blocks on the debtor's OMV record. Authorizes OMV to include in the installment agreement an applicable fee to reinstate a driver's license and motor vehicle registration.

Proposed law requires OMV to suspend a debtor's driver's license and motor vehicle registration when an installment payment is missed and the debtor makes no timely payment and request for reinstatement of the agreement. Present law (R.S. 32:414) applies to judicial review and reinstatement of the suspension.

### **OFFER IN COMPROMISE**

Proposed law authorizes OMV to negotiate for final payment of delinquent debt as an offer in compromise with eligible persons for fines, penalties, and fees due to the office as defined in R.S. 32:8 and requires notices to inform a debtor that he may qualify to pay sums due under an offer in compromise and to inquire with the office to determine eligibility and terms.

Proposed law authorizes OMV to reduce the total amount of debt by not to exceed 25% in exchange for full payment in lieu of payment by installment agreement.

Proposed law limits to \$4,000 the amount of penalties, fines, and fees due OMV assessed to a debtor under R.S. 32:57.1, 863, and 863.1, notwithstanding any other law to the contrary.

Proposed law authorizes OMV to adopt rules and regulations not inconsistent with the provisions of proposed law to implement its provisions in accordance with the Administrative Procedures Act.

### **DEBT AMNESTY PROGRAM**

Proposed law requires the office of motor vehicles (OMV) to develop and implement a debt amnesty program for a period of at least two months duration in 2016 that occurs prior to December 31, 2016, and to collect debt for fines, penalties, and fees due the OMV as defined in R.S. 32:8 for violations of R.S. 32:57.1 (failure to honor a promise), R.S. 32:863 (no insurance), and R.S. 32:863.1 (no evidence of insurance). Requires the office to publicize the debt amnesty program to maximize the public's awareness of and participation in the program.

Proposed law provides that OMV debtors with debt in the amount of \$1,000 or more are eligible to participate in the debt amnesty program. Requires amnesty debt payments to be paid in full during the amnesty period and provides the following maximum schedule of amnesty debt payments.

- (1) For debt of \$1,000 or more for violation or multiple violations of R.S. 32:57.1, the amnesty debt payment due shall not exceed \$500.
- (2) For debt of \$1,000 or more for violation or for multiple violations of R.S. 32:863(A)(1), the amnesty debt payment due shall not exceed \$850 and shall not exceed \$1,075 for debt incurred for violation or for multiple violations of R.S. 32:863(A)(2). Requires the debtor to provide proof of insurance.
- (3) For debt of \$1,000 or more for violation or multiple violations of R.S. 32:863.1, the amnesty debt payment due shall not exceed \$500. Requires the debtor to provide proof of insurance.
- (4) No amnesty debt payment for debt of a person 65 years or older, including administrative fees, shall exceed \$250.

Proposed law requires the OMV to clear the debtor's record and reinstate his driver's license and motor vehicle registration upon receipt of the amnesty payment.

#### **INSTALLMENT AGREEMENTS AND DEBTS REFERRED TO THE OFFICE OF DEBT RECOVERY**

Present law provides that fees associated with the suspension of an operator's license for failure to honor a written promise to appear before a court (R.S. 32:57.1) and failure to abide by certain automobile insurance requirements (R.S. 32:863 and 863.1) are defined as "debt".

Present law defines "delinquent debt" as a debt that is 60 days or more past due.

Proposed law modifies present law and defines "delinquent debt" as a debt that is 60 days or more past due and for which the debtor has not entered into an installment agreement with the office of motor vehicles to pay.

Present law defines "final" as the amount due is no longer negotiable and that the debtor has no further right of administrative and judicial review.

Proposed law provides that an amount due shall not be "final" during the term of an installment agreement between the office of motor vehicles and the debtor.

Present law requires the office of motor vehicles to refer all "final delinquent debt" as those terms are defined in present law to the office of debt recovery for collection.

Present law requires the OMV, prior to referral to ODR, to notify a debtor in writing that failure to pay final delinquent debt in full within 60 days will subject the debt to the maximum amount owed together with an additional fee collected by the office of debt recovery.

Proposed law permits a debtor to pay such "final delinquent debt" pursuant to an installment agreement prior to the debt being referred to ODR.

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

(Amends R.S. 32:8, 57.1(C), 863(A)(3)(a), and 863.1(C)(1)(b); adds R.S. 32:9, 10, and 11)