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

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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)