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## DIGEST

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HB 659 Reengrossed

2016 Regular Session

James

**Abstract:** Increases the maximum fee that can be collected by a collection agency for the payment of certain overdue fines, forfeitures, penalties, and costs.

Present law authorizes the clerk of a city court, a marshal, or a private collection agency as authorized by contract to collect all fines, forfeitures, penalties, and costs, and provides that all funds so collected, excluding costs, shall be paid into the city treasury or parish treasury, depending on whose behalf the money is being collected. Provides that the amount of the debt shall not be reduced if collected by a private collection agency.

Proposed law retains present law except it removes the provision that the amount of the debt shall not be reduced if collected by a private collection agency.

Proposed law provides that collection of the debt by private collection agency shall commence only after a demand letter has been sent to the obligor's address giving him 30 days to pay the total amount due.

Proposed law provides that any fee charged by a private collection agency shall be paid from the fine, forfeiture, penalty, cost or other amount owed.

(Amends R.S. 13:1898(A); Adds R.S. 13:1898(D))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Judiciary to the original bill:

1. Removes proposed law provisions regarding the 25% processing fee on fines, forfeitures, penalties, or costs paid by credit card or electronic check, and reinstates the present law 5% fee.
2. Provides that if fines, forfeitures, penalties, or costs are overdue, a private collection agency may charge a collection fee not to exceed 25% of the balance owed.

The House Floor Amendments to the engrossed bill:

1. Removes present law provision that provides that the amount of the debt shall not be reduced if collected by a private collection agency.
2. Adds a provision that collection of the debt by private collection agency shall commence only after a demand letter has been sent giving the obligor 30 days to pay the total amount due.
3. Adds a provision that collection fees charged by a private collection agency shall be deducted from the total amount of the debt owed.
4. Adds a provision that any fee charged by a private collection agency shall be paid from the fine, forfeiture, penalty, cost or other amount owed.
6. Makes technical correction to remove a provision of law not being affected by this bill.