

Regular Session, 2014

HOUSE BILL NO. 236

BY REPRESENTATIVE BROADWATER

REVENUE DEPARTMENT: Authorizes the office of debt recovery to utilize the offset of certain gaming winnings as a means to collect delinquent debt owed to state agencies

1 AN ACT

2 To amend and reenact R.S. 47:1676(C)(2)(a) and (D)(1) and 9026 and to enact R.S.

3 47:1676(D)(4), relative to the collection of certain debts by the office of debt

4 recovery within the Department of Revenue; to provide relative to the authority of

5 such office to collect certain delinquent debts; to authorize the office to utilize the

6 offset of certain gaming winnings in the collection of delinquent debt; to authorize

7 the deduction of fees from certain gaming winnings under certain circumstances; to

8 provide for civil or criminal immunity under certain circumstances; to authorize

9 immunity from claims for damages under certain circumstances; to delete references

10 to certain political subdivisions within the authority of the office of debt recovery;

11 and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:1676(C)(2)(a) and (D)(1) and 9026 are hereby amended and  
14 reenacted and R.S. 47:1676(D)(4) is hereby enacted to read as follows:

15 §1676. Debt recovery

16 \* \* \*

17 C.

18 \* \* \*

1 (2)(a) ~~No later than January 1, 2014, agencies which~~ Agencies that do not  
2 have collection contracts with the attorney general's office for the collection of  
3 delinquent debts shall refer all delinquent debts to the office as provided by rule.  
4 Such referrals shall include data and information in the required format necessary to  
5 institute collection procedures. All delinquent debts shall be authenticated by the  
6 agency ~~or participating political subdivision~~ or officer prior to being referred to the  
7 office. Once the debt becomes final, and prior to referral to the office, the agency  
8 shall notify the debtor that failure to pay the debt in full within sixty days shall  
9 subject the debt to an additional collection fee as provided for in this Section. All  
10 agencies shall refer non-final delinquent debts to the attorney general's office for  
11 collection when the debt has been delinquent for sixty days pursuant to the referral  
12 guidelines established by the attorney general as incorporated into agreements  
13 between the attorney general and other agencies or pursuant to the rules promulgated  
14 by the attorney general pursuant to the Administrative Procedure Act. Such non-  
15 final delinquent debts shall be authenticated by the agency prior to their referral to  
16 the attorney general.

17 \* \* \*

18 D.(1) Notwithstanding any other provision of law to the contrary, the  
19 secretary of the Department of Revenue may treat a delinquent debt referral in the  
20 same manner as an assessment that has become final without restriction or delay.  
21 The secretary, through the office, may use any collection remedy provided by state  
22 law to facilitate the collection of taxes to collect the delinquent debt; however, the  
23 financial institution data match shall ~~only be used~~ be used only in accordance with  
24 the provisions of R.S. 47:1677. The office may use a participating agency's statutory  
25 collection authority to collect the participating agency's ~~or participating political~~  
26 ~~subdivision's~~ delinquent debts owed to or being collected by the state ~~or participating~~  
27 ~~political subdivision~~. The office may also use authority granted in R.S. 47:299.3  
28 regarding offset from income tax refunds or other accounts payable by the state for  
29 any delinquent debt transferred by agencies ~~and political subdivisions~~. The secretary

1 has the discretion to determine which method or combination thereof is most suitable  
2 to collect the delinquent debt.

3 \* \* \*

4 (4)(a) The office shall be authorized to withhold, offset, levy, garnish, or  
5 seize payments of progressive slot machine annuities and cash gaming winnings in  
6 the same manner set forth in R.S. 27:24 and payments of lottery prizes in the same  
7 manner as set forth in R.S. 47:9026 and may assume the obligation for payment of  
8 such services in order to collect delinquent debt.

9 (b) The Louisiana Gaming Control Board or any entity licensed or permitted  
10 under Chapters 1, 4, 5, or 7 of Title 27 of the Louisiana Revised Statutes of 1950  
11 may deduct an administrative fee from each payment of a progressive slot machine  
12 annuity or cash gaming winnings in accordance with R.S. 27:24(A)(5)(d) pursuant  
13 to a request by the office of debt recovery to such annuities or winnings in the  
14 collection of a delinquent debt; however, the board or licensed or permitted entity  
15 shall not withhold more than one administrative fee on such annuities or winnings.

16 (c) The Louisiana Gaming Control Board or any entity licensed or permitted  
17 under Chapters 1, 4, 5, or 7 of Title 27 of the Louisiana Revised Statutes of 1950  
18 shall be immune from civil or criminal liability for the disclosure of certain  
19 information or from any claims for damages arising from withholding or failing to  
20 withhold any progressive slot machine annuities or cash winnings in accordance with  
21 R.S. 27:24(A)(5)(b) when the disclosure of such information or the withholding of  
22 such annuities or winnings is done pursuant to a request by the office of debt  
23 recovery.

24 (d) The authorization provided for in this Paragraph shall not prime the  
25 Department of Children and Family Services' claim under the provisions of R.S.  
26 46:236.15(D) or R.S. 47:9026 to any payments of progressive slot machine annuities  
27 or cash gaming winnings.

28 \* \* \*

1 §9026. Withholding of lottery prizes; child support arrearages; rules and regulations

2 No later than January 1, 1992, the board shall promulgate rules and  
3 regulations providing for the withholding of lottery prizes of persons who have  
4 outstanding child support arrearages as reported to the corporation, beginning at  
5 prize levels to be determined by the board. The corporation may require any agency  
6 reporting current child support arrearages to the corporation to provide information  
7 relating to such arrearages in a manner, format, or record approved by the  
8 corporation. The corporation shall not be liable for withholding a lottery prize based  
9 upon child support arrearage information provided to it. Additionally, the corporation  
10 shall employ the same methods, procedures, and parameters to withhold lottery  
11 prizes for persons who have delinquent debt as defined in R.S. 47:1676(B)(4) which  
12 has been assigned to the office of debt recovery for collection. The corporation shall  
13 not be liable for withholding a lottery prize based upon delinquent debt information  
14 provided to it by the office of debt recovery.

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#### 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)]

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Broadwater

HB No. 236

**Abstract:** Authorizes the office of debt recovery to offset gaming winnings as a means to collect delinquent debt owed to the state and deletes references to "participating political subdivisions" within the authority of the office of debt recovery.

Present law charges the office of debt recovery and the attorney general's office with collecting delinquent debts of state agencies which refer delinquent debts to them for collection. Further provides for the general powers and authority of the office of debt recovery in collecting delinquent debt that has become final and is 60 or more days past due.

Proposed law retains present law but deletes references to "participating political subdivisions" from present law since the collection authority of the office of debt recovery does not extend to the collection of delinquent debts owed to political subdivisions.

Present law authorizes the office of debt recovery to use any collection remedy authorized by present law to collect delinquent taxes or any state agency's statutory collection authority to collect the referring agency's delinquent debt, including the offset of tax refunds or other accounts payable, suspension or denial of renewal of driver's licenses, and the suspension, revocation, or denial of hunting and fishing licenses, or any type of professional license, permit, or certification.

Proposed law retains present law but adds to the collection remedies of the office of debt recovery, the authority to withhold, offset, levy, garnish, or seize payments of progressive slot machine annuities and cash gaming winnings in the same manner set forth in present law and to assume the obligation of payment of certain services in order to collect delinquent debt.

Present law authorizes the La. Gaming Control Board (hereinafter "board") or any licensed or permitted gaming entity to deduct an administrative fee from each payment of progressive slot machine annuities or cash gaming winnings in accordance with present law of persons who have outstanding child support arrearages or owe child support overpayments.

Proposed law retains present law but extends the authority to deduct an administrative fee from each payment of progressive slot machine annuities or cash gaming winnings pursuant to a request by the office of debt recovery. However, the board or gaming entity shall not withhold more than one administrative fee on such annuities or cash winnings.

Present law provides for immunity from civil or criminal liability for the board or any licensed or permitted gaming entity for the disclosure of certain information or from any claims for damages arising from withholding or failing to withhold any progressive slot machine annuities or cash gaming winnings.

Proposed law retains present law but extends the civil or criminal immunity of the board or any licensed or permitted gaming entity or from claims for damages when the disclosure of information or withholding of such annuities or winnings is done pursuant to a request by the office of debt recovery.

Proposed law prohibits the office of debt recovery's claim relative to the offset or withholding of payments from progressive slot machine annuities, cash gaming winnings, and lottery prizes from priming the Dept. of Children and Family Services' claim under present law to any payments of progressive slot machine annuities, cash gaming winnings, or lottery prizes.

Present law requires the board to promulgate rules and regulations providing for the withholding of lottery prizes of persons who have outstanding child support arrearages.

Proposed law retains present law but requires the board to employ the same methods, procedures, and parameters to withhold lottery prizes for persons who have delinquent debt which has been assigned to the office of debt recovery for collection.

(Amends R.S. 47:1676(C)(2)(a) and (D)(1) and 9026; Adds R.S. 47:1676(D)(4))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added authority for the office of debt recovery to deduct an administrative fee from each payment of a progressive slot machine annuity or cash gaming winning in accordance with present law.
2. Added provision granting the office of debt recovery immunity from civil or criminal liability for the disclosure of certain information or from any claims for damages arising from withholding or failing to withhold any progressive slot machine annuities or cash gaming winnings in accordance with present law.
3. Prohibited the office of debt recovery's claim relative to the offset or withholding of payments from progressive slot machine annuities and cash gaming winnings

from priming the Dept. of Children and Family Services' claim under present law to such payments.

House Floor Amendments to the engrossed bill.

1. Changed the authority to deduct an administrative fee from each payment of a progressive slot machine annuity or cash gaming winning from the authority of the office of debt recovery to deduct the administrative fee to the authority of the board or any licensed or permitted gaming entity to withhold the administrative fee.
2. Added prohibition for the board or any licensed or permitted gaming entity from withholding more than one administrative fee on slot machine annuities or cash gaming winnings.
3. Changed the grant of immunity from civil or criminal liability for the disclosure of certain information or from any claims for damages arising from withholding or failing to withhold any progressive slot machine annuities or cash gaming winnings from the office of debt recovery to the board or any licensed or permitted gaming entity.
4. Added the offset or withholding of payments by the Dept. of Children and Family Services from lottery prizes to the claims that prime the claims of the office of debt recovery to such payments.