
Transportation Committee

HB 1651

Brief Description: Concerning debts arising from infractions for standing, stopping, and parking violations, and violations captured by safety cameras.

Sponsors: Representatives Reeves and Pollet.

Brief Summary of Bill

- Specifies that only the Department of Licensing (DOL), a county auditor or other agent, or a subagent, may collect outstanding debt for a standing, stopping, or parking infraction or for a traffic infraction captured by an automated traffic safety camera or school bus safety camera (traffic camera) once a court or government agency has forwarded it to the DOL.
- Prohibits an execution, garnishment, or other legal process for the collection or enforcement of a judgment or order from being issued after three years have elapsed from the date of infraction issuance for a standing, stopping, or parking infraction, or for an infraction captured by a traffic camera.
- Prohibits the DOL from placing or retaining a hold on a vehicle registration after three years have elapsed from the date of issuance of a standing, stopping, or parking infraction, or of a traffic infraction captured by a traffic camera.

Hearing Date: 2/15/23

Staff: Jennifer Harris (786-7143).

Background:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Traffic Infractions and Payment Plans.

A person may request a payment plan at any time for the payment of any monetary penalty, fee, cost, assessment, or other monetary obligation associated with a traffic infraction. If the person does not have the ability to pay the monetary obligation in full and has not previously been granted a payment plan for the same monetary obligation, and if the court has not authorized its collections agency to take civil legal enforcement action, the court must enter into a payment plan with the individual. Where the court has authorized its collections agency to take civil legal enforcement action, the court may, at its discretion, enter into a payment plan.

If a person responded to a traffic infraction for a moving violation attesting that he or she did not have the ability to pay the traffic infraction in full, the court must attempt to enter into a payment plan with the person prior to referring the monetary obligation to a collections agency. If a legal proceeding, such as garnishment, has commenced to collect any delinquent amount owed by the person for a penalty, the person subject to the legal proceeding may request a payment plan.

Notice of Traffic Infraction and Payment Plans.

A notice of traffic infraction must include an option to admit responsibility and attest an inability to pay the infraction in full. The notice must also include information on how to submit evidence of inability to pay, obtain a payment plan, and that explains that failure to pay or enter into a payment plan may result in collection action, including garnishment of wages or other assets.

For standing, stopping, and parking infractions, the notice of traffic infraction is required to include a statement that failure to appear at a hearing requested for the purpose of contesting the determination or for the purpose of explaining mitigating circumstances may result in refusal of the Department of Licensing (DOL) to renew the vehicle registration until all penalties have been satisfied.

Beginning 90 days from the date of the infraction, if a person has not entered into a payment plan with a court and has not paid the monetary obligation in full, the court may refer the unpaid monetary penalty, fee, cost, assessment, or other monetary obligation to a collections agency until all monetary obligations have been paid or until the person has entered into a payment plan.

Outstanding Standing, Stopping, Parking, and Traffic Camera Infractions.

Courts and government agencies that have jurisdiction over standing, stopping, and parking infractions, as well as over automated traffic safety camera and automated school bus safety camera (traffic camera) infractions, may forward outstanding infractions to the DOL. They may forward to the DOL an abstract of the citation record that shows a finding of two or more infractions have been committed within 10 days of a failure to respond, failure to pay a penalty, failure to appear at a hearing to contest the determination that an infraction has been committed, or failure to appear at a hearing to explain mitigating circumstances.

The DOL must record the infractions on the matching vehicle records and send notice approximately 120 days in advance of the current vehicle registration expiration date to the registered owner of the vehicle that lists:

- the dates and jurisdictions in which the infractions occurred;
- the amounts of unpaid fines and penalties; and
- the surcharge to be collected.

Until the registered owner presents proof of payment of each infraction and pays a \$15 surcharge, the DOL, county auditor or other agent, or subagent may not renew a vehicle registration if there are any outstanding infractions associated with the vehicle that the DOL received more than 120 days before the expiration of the vehicle registration, unless there has been a change in the registered ownership of the vehicle.

The \$15 surcharge is required to be distributed as follows: (1) \$10 to the Motor Vehicle Fund to be used for administrative costs of the DOL; and (2) \$5 to be retained by the DOL, county auditor or other agent, or subagent handling the renewal application to be used for program administration costs.

Government Debt and Collection Agencies.

Agencies, departments, taxing districts, political subdivisions of the state, counties, and cities may retain, by written contract, licensed collection agencies to collect the public debts owed by any person. Any of these government entities using a collection agency may add a reasonable fee payable by the debtor to the outstanding debt for the collection agency fee.

The amount to be paid for collection services may be specified in the agreement of the governmental entity and its collection agency or agencies. Any fee agreement entered into by a governmental entity is presumptively reasonable. A contingent fee of up to 50 percent of the first \$100,000 of the unpaid debt per account and up to 35 percent of the unpaid debt over \$100,000 per account is considered reasonable. A minimum fee of the full amount of the debt up to \$100 per account is also considered reasonable. An execution, garnishment, or other legal process issued for the collection or enforcement of a judgment may be issued within 10 years, and upon application to the court that rendered the judgement, an additional 10 years may be granted during which an execution, garnishment, or other legal process may be issued.

No debt may be assigned to a collection agency: (1) unless an attempt has been made to advise the debtor of the existence of the debt and to inform the debtor that the debt may be assigned to a collection agency for collection if it is not paid; and (2) at least 30 days have elapsed from the time notice was attempted. Collection agencies that collect government debts are only authorized to use remedies and powers that would be available to them for the collection of private debt they have been assigned to collect.

For the purpose of the application of the Consumer Protection Act, the commission of a prohibited act or practice is considered an unfair act or practice or unfair method of competition in the conduct of trade or commerce.

Summary of Bill:

Collection Agencies and Outstanding Standing, Stopping, and Parking and Traffic Camera Infractions.

Prior to assigning debt related to standing, stopping, and parking infractions, and infractions captured by traffic cameras to a collection agency, a court, agency, department, taxing district, political subdivision of the state, county, or city must provide notice of the opportunity to enter into a payment plan as part of the notice required to be provided at least 30 days before the assignment of debt to a collection agency.

Beginning January 1, 2024, an execution, garnishment, or other legal process for the collection or enforcement of a judgment or order may no longer be issued against the person to whom a traffic infraction was issued once three years have elapsed since the date of issuance of a traffic infraction for a standing, stopping, or parking infraction, or for an infraction captured by a traffic camera.

The Department of Licensing and Outstanding Standing, Stopping, and Parking and Traffic Camera Infractions.

When the DOL sends out notice of a pending vehicle registration hold, it must provide notice of the possible opportunity to enter into a payment plan for standing, stopping, and parking infractions, and for traffic infractions captured by traffic cameras. The DOL may not place or retain a hold on a vehicle registration once three years have elapsed from the date the traffic infraction was issued for standing, stopping, and parking infractions, and for infractions captured by traffic cameras.

Once a court or other government agency has forwarded an outstanding infraction to the DOL, only the DOL, a county auditor or other agent, or a subagent may collect outstanding debt associated with that traffic infraction.

Appropriation: None.

Fiscal Note: Requested on February 7, 2023.

Effective Date: The bill takes effect on January 1, 2024.