

ASSEMBLY BILL NO. 156—ASSEMBLYMEN COBB; GANSERT,
GOEDHART, GUSTAVSON, HAMBRICK, HARDY,
SETTELMAYER AND STEWART

FEBRUARY 11, 2009

Referred to Committee on Judiciary

SUMMARY—Requires certain courts to use collection agencies to collect certain debts. (BDR 1-292)

FISCAL NOTE: Effect on Local Government: May have Fiscal Impact.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to courts; requiring district courts, justice courts and municipal courts to use collection agencies to collect certain debts; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 **Sections 1-3** of this bill require district courts, justice courts and municipal
2 courts to contract with private debt collectors or other persons to collect certain
3 debts in a manner similar to the manner in which certain state agencies are
4 authorized to contract with such private debt collectors or other persons.
5 (NRS 353C.200)

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 3 of NRS is hereby amended by adding
2 thereto a new section to read as follows:

3 ***1. Except as otherwise provided in subsection 2, each district***
4 ***court shall enter into a contract with a private debt collector or***
5 ***any other person for the assignment of the collection of a debt if***
6 ***the district court:***

7 ***(a) Determines the assignment is likely to generate more net***
8 ***revenue than equivalent efforts by the district court to collect the***
9 ***debt, including collection efforts pursuant to this chapter;***



1 (b) Determines the assignment will not compromise future
2 collections of state revenue; and

3 (c) Notifies the debtor in writing at his address of record that
4 the debt will be turned over for private collection unless the debt is
5 paid.

6 2. A district court shall not enter into a contract with a
7 private debt collector or any other person for the assignment of the
8 collection of a debt if the debt has been contested by the debtor.

9 3. A contract for the assignment of the collection of a debt
10 may provide for:

11 (a) Payment by the district court to the private debt collector or
12 other person of the costs of collection and fees for collecting the
13 debt; or

14 (b) Collection by the private debt collector or other person
15 from the debtor of the costs of collection and fees for collecting the
16 debt.

17 4. Any contract entered into pursuant to this section is subject
18 to approval by the Court Administrator. The Court Administrator
19 may consult the State Controller concerning his decision.

20 **Sec. 2.** Chapter 4 of NRS is hereby amended by adding thereto
21 a new section to read as follows:

22 1. Except as otherwise provided in subsection 2, each justice
23 court shall enter into a contract with a private debt collector or
24 any other person for the assignment of the collection of a debt if
25 the justice court:

26 (a) Determines the assignment is likely to generate more net
27 revenue than equivalent efforts by the justice court to collect the
28 debt, including collection efforts pursuant to this chapter;

29 (b) Determines the assignment will not compromise future
30 collections of state revenue; and

31 (c) Notifies the debtor in writing at his address of record that
32 the debt will be turned over for private collection unless the debt is
33 paid.

34 2. A justice court shall not enter into a contract with a private
35 debt collector or any other person for the assignment of the
36 collection of a debt if the debt has been contested by the debtor.

37 3. A contract for the assignment of the collection of a debt
38 may provide for:

39 (a) Payment by the justice court to the private debt collector or
40 other person of the costs of collection and fees for collecting the
41 debt; or

42 (b) Collection by the private debt collector or other person
43 from the debtor of the costs of collection and fees for collecting the
44 debt.



1 **4. Any contract entered into pursuant to this section is subject**
2 **to approval by the Court Administrator. The Court Administrator**
3 **may consult the State Controller concerning his decision.**

4 **Sec. 3.** Chapter 5 of NRS is hereby amended by adding thereto
5 a new section to read as follows:

6 **1. Except as otherwise provided in subsection 2, each**
7 **municipal court shall enter into a contract with a private debt**
8 **collector or any other person for the assignment of the collection**
9 **of a debt if the municipal court:**

10 **(a) Determines the assignment is likely to generate more net**
11 **revenue than equivalent efforts by the municipal court to collect**
12 **the debt, including collection efforts pursuant to this chapter;**

13 **(b) Determines the assignment will not compromise future**
14 **collections of state revenue; and**

15 **(c) Notifies the debtor in writing at his address of record that**
16 **the debt will be turned over for private collection unless the debt is**
17 **paid.**

18 **2. A municipal court shall not enter into a contract with a**
19 **private debt collector or any other person for the assignment of the**
20 **collection of a debt if the debt has been contested by the debtor.**

21 **3. A contract for the assignment of the collection of a debt**
22 **may provide for:**

23 **(a) Payment by the municipal court to the private debt**
24 **collector or other person of the costs of collection and fees for**
25 **collecting the debt; or**

26 **(b) Collection by the private debt collector or other person**
27 **from the debtor of the costs of collection and fees for collecting the**
28 **debt.**

29 **4. Any contract entered into pursuant to this section is subject**
30 **to approval by the Court Administrator. The Court Administrator**
31 **may consult the State Controller concerning his decision.**

32 **Sec. 4.** NRS 176.064 is hereby amended to read as follows:

33 176.064 1. If a fine, administrative assessment, fee or
34 restitution is imposed upon a defendant pursuant to this chapter,
35 whether or not the fine, administrative assessment, fee or restitution
36 is in addition to any other punishment, and the fine, administrative
37 assessment, fee or restitution or any part of it remains unpaid after
38 the time established by the court for its payment, the defendant is
39 liable for a collection fee, to be imposed by the court at the time it
40 finds that the fine, administrative assessment, fee or restitution is
41 delinquent, of:

42 **(a) Not more than \$100, if the amount of the delinquency is less**
43 **than \$2,000.**

44 **(b) Not more than \$500, if the amount of the delinquency is**
45 **\$2,000 or greater, but is less than \$5,000.**



(c) Ten percent of the amount of the delinquency, if the amount of the delinquency is \$5,000 or greater.

2. ~~IA~~ *Except as otherwise provided in section 1, 2 or 3 of this act,* a state or local entity that is responsible for collecting a delinquent fine, administrative assessment, fee or restitution may, in addition to attempting to collect the fine, administrative assessment, fee or restitution through any other lawful means, take any or all of the following actions:

(a) Report the delinquency to reporting agencies that assemble or evaluate information concerning credit.

(b) Request that the court take appropriate action pursuant to subsection 3.

(c) Contract with a collection agency licensed pursuant to NRS 649.075 to collect the delinquent amount and the collection fee. The collection agency must be paid as compensation for its services an amount not greater than the amount of the collection fee imposed pursuant to subsection 1, in accordance with the provisions of the contract.

3. The court may, on its own motion or at the request of a state or local entity that is responsible for collecting the delinquent fine, administrative assessment, fee or restitution, take any or all of the following actions, in the following order of priority if practicable:

(a) Request that a prosecuting attorney undertake collection of the delinquency, including, without limitation, the original amount and the collection fee, by attachment or garnishment of the defendant's property, wages or other money receivable.

(b) Order the suspension of the driver's license of the defendant. If the defendant does not possess a driver's license, the court may prohibit the defendant from applying for a driver's license for a specified period. If the defendant is already the subject of a court order suspending or delaying the issuance of his driver's license, the court may order the additional suspension or delay, as appropriate, to apply consecutively with the previous order. At the time the court issues an order suspending the driver's license of a defendant pursuant to this paragraph, the court shall require the defendant to surrender to the court all driver's licenses then held by the defendant. The court shall, within 5 days after issuing the order, forward to the Department of Motor Vehicles the licenses, together with a copy of the order. At the time the court issues an order pursuant to this paragraph delaying the ability of a defendant to apply for a driver's license, the court shall, within 5 days after issuing the order, forward to the Department of Motor Vehicles a copy of the order. The Department of Motor Vehicles shall report a suspension pursuant to this paragraph to an insurance company or its agent inquiring about the defendant's driving record, but such a



1 suspension must not be considered for the purpose of rating or
2 underwriting.

3 (c) For a delinquent fine or administrative assessment, order the
4 confinement of the person in the appropriate prison, jail or detention
5 facility, as provided in NRS 176.065 and 176.075.

6 4. Money collected from a collection fee imposed pursuant to
7 subsection 1 must be distributed in the following manner:

8 (a) Except as otherwise provided in paragraph (d), if the money
9 is collected by or on behalf of a municipal court, the money must be
10 deposited in a special fund in the appropriate city treasury. The city
11 may use the money in the fund only to develop and implement a
12 program for the collection of fines, administrative assessments, fees
13 and restitution.

14 (b) Except as otherwise provided in paragraph (d), if the money
15 is collected by or on behalf of a justice court or district court, the
16 money must be deposited in a special fund in the appropriate county
17 treasury. The county may use the money in the special fund only to
18 develop and implement a program for the collection of fines,
19 administrative assessments, fees and restitution.

20 (c) Except as otherwise provided in paragraph (d), if the money
21 is collected by a state entity, the money must be deposited in an
22 account, which is hereby created in the State Treasury. The Court
23 Administrator may use the money in the account only to develop
24 and implement a program for the collection of fines, administrative
25 assessments, fees and restitution in this State.

26 (d) If the money is collected by a collection agency, after the
27 collection agency has been paid its fee pursuant to the terms of the
28 contract, any remaining money must be deposited in the state, city
29 or county treasury, whichever is appropriate, to be used only for the
30 purposes set forth in paragraph (a), (b) or (c) of this subsection.

31 **Sec. 5.** This act becomes effective on July 1, 2009.

