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JUL 08 2002

Opinion Number 02-0232

Honorable James T. Fontenot
Mayor, Town of Simmesport
Post Office Box 145
Simmesport, LA 71369

71 Municipalities
90-A-3 General Contracts - Local
La. R.S. 9:3576.6

The Town of Simmesport may contract with a collection agency to collect debts owed to it pursuant to La. R.S. 9:3576.6.

Dear Mayor Fontenot:

We received your request for an opinion regarding the authority of the Town of Simmesport to contract with a collection agency for the collection of delinquent and/or unpaid fines due to the Town.

La. R.S. 9:3576.6 provides as follows:

- A. *State and federal agencies, departments, political subdivisions of the state, incorporated municipalities, and parishes, may, by written contract, utilize collection agencies licensed and bonded under this Part for the purpose of collecting public debts owed by any person, except those debts arising from outstanding bench warrants, parking fines, and traffic tickets.*
- B. *No debt owed to a government instrumentality listed in this Section may be assigned to a collection agency pursuant to this Section unless there has been an attempt to advise the debtor, in writing, of the existence of the debt, the amount of the debt, the reason for the debt, and a request for payment.*
- C. *Collection agencies assigned debts pursuant to this Section shall have only those remedies and powers which would be available to them as assignees of private creditors.*

Thus, according to this statute, the Town of Simmesport may, by written contract, utilize a collection agency that is licensed and bonded pursuant to the laws of the state for the purpose of collecting its debts except those debts arising from outstanding bench warrants, parking fines, and traffic tickets. The Town of Simmesport must first attempt to advise the specific debtor, in writing, of the nature of the debt and request payment.

The statute does not specify the fee arrangement for such a contract and we are unaware of any prohibition of using a percentage of the monies collected as a fee.

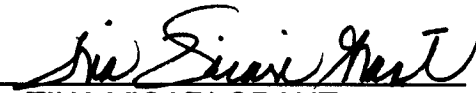
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We trust that this adequately responds to your request. If you have any questions or comments, please do not hesitate to contact our office.

With kindest regards,

Yours very truly,

RICHARD P. IEYOUB
Attorney General

BY: 
TINA VICARI GRANT
Assistant Attorney General

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