

BOARD OF TAX APPEALS
STATE OF LOUISIANA

ASHLEY SANCHEZ AND ANGELA
GRUNEWALD, INDIVIDUALLY AND ON BEHALF
OF OTHERS SIMILARLY SITUATED

Plaintiffs,

VERSUS

DOCKET NO. 14215D

THE OFFICE OF DEBT RECOVERY,
KEVIN RICHARD, IN HIS OFFICIAL
CAPACITY AS SECRETARY OF THE
DEPARTMENT OF REVENUE, THE
OFFICE OF MOTOR VEHICLES, JAMES M.
LeBLANC, IN HIS OFFICIAL CAPACITY
AS SECRETARY OF THE LOUISIANA
DEPARTMENT OF PUBLIC SAFETY AND
CORRECTIONS, and KAREN G. ST.
GERMAIN, IN HER OFFICIAL CAPACITY
AS COMMISSIONER - CUSTODIAN OF
RECORDS OF THE LOUISIANA OFFICE
OF MOTOR VEHICLES

Defendants

JUDGMENT WITH REASONS

On October 16, 2025, this matter came before the Board for hearing on the Exceptions of No Cause of Action and Vagueness by the State of Louisiana, through the Louisiana Department of Revenue and Richard Nelson, as successor to Kevin Richard, Secretary of the Louisiana Department of Revenue (“Department”). Presiding at the hearing were Chairman Francis J. “Jay” Lobrano and Vice-Chair Judge Lisa Woodruff-White (Ret.). Present before the Board were J.R. Whaley and Andre LaPlace, attorneys for Ashley Sanchez (“Sanchez”) and Angela Grunewald (“Grunewald”), individually, and on behalf of others similarly situated (collectively, “Plaintiffs”), and Christopher Jones, attorney for the Department. At the conclusion of the hearing, the Board took the matter under advisement. In accordance with the attached Written Reasons, the Board now rules as follows:

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the Exception of No Cause of Action BE AND IS HEREBY DENIED.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Exception of Vagueness BE AND IS HEREBY DENIED.

JUDGMENT RENDERED AND SIGNED AT BATON ROUGE, LOUISIANA, THIS 4th DAY OF DECEMBER, 2025.



CHAIRMAN FRANCIS J. "JAY" LOBRANO
LOUISIANA BOARD OF TAX APPEALS

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REASONS FOR JUDGMENT

On October 16, 2025, this matter came before the Board for hearing on the Exceptions of No Cause of Action and Vagueness by the State of Louisiana, through the Louisiana Department of Revenue and Richard Nelson, as successor to Kevin Richard, Secretary of the Louisiana Department of Revenue (“Department”). Presiding at the hearing were Chairman Francis J. “Jay” Lobrano and Vice-Chair Judge Lisa Woodruff-White (Ret.). Present before the Board were J.R. Whaley and Andre LaPlace, attorneys for Ashley Sanchez (“Sanchez”) and Angela Grunewald (“Grunewald”), individually, and on behalf of others similarly situated (collectively, “Plaintiffs”), and Christopher Jones, attorney for the Department. At the conclusion of the hearing, the Board took the matter under advisement. The Board now issues the foregoing Judgment for the following reasons.

Background

This dispute concerns the validity of La. R.S. 47:1676. The statute permits the Office of Debt Recovery (“ODR”) to collect debts owed to the State. More specifically,

La. R.S. 47:1676(A)(1) authorizes ODR to collect debts by using the same remedies normally provided by law to facilitate the collection of taxes. Plaintiffs allege that they have been harmed by threat and implementation of these collection remedies, and ask the Board to declare La. R.S. 47:1676 unconstitutional.

Plaintiffs allege that their debts originated with the Office of Motor Vehicles (“OMV”). The debts were originally penalties for unintentionally allowing their auto insurance policies to lapse. Plaintiffs claim that they were unable to pay the OMV penalties and the ODR fees added to their debts by operation of La. R.S. 47:1676. They allege that as a result, they had no option other than to sign payment installment agreements.

Plaintiffs assert that ODR levies collections fees and penalties with no consideration for debtors' financial situations or their ability to pay. Both Sanchez and Grunewald are single mothers with extensive financial obligations. Grunewald additionally alleges that she has two children with special needs who have been diagnosed as totally disabled since birth. Plaintiffs claim that they have been forced to choose between paying for essentials and utilities or paying ODR installments.

If Plaintiffs miss payments to ODR, they will be assessed additional fees. In addition, if a debtor misses a payment, their installment agreement is immediately voided. The debt and penalties are then sent back to ODR. This results in additional collection fees. The debtor must then re-apply for a new installment agreement. As part of their re-application, the debtor must make an upfront payment of ten percent of the amount owed.

Both Sanchez and Grunewald allege that they are subject to the penalty of losing their driver's licenses should they default on their ODR debt. Both Plaintiffs must be able to drive in order to: take their children to school and doctor's appointments; go to the grocery store and pharmacy; and otherwise properly care for their children and themselves. Plaintiffs further allege that ODR has intercepted their tax refunds without providing updated balance information. Plaintiffs maintain

that ODR has refused to communicate regarding their debt except to tell them to contact OMV. Allegedly, OMV, when contacted, tells the Plaintiffs to contact ODR.

In their original Class Action Petition, filed October 3, 2023, with the 19th JDC (“Original Petition”), Plaintiffs prayed for a declaration that ODR’s collection actions are null, void, and unenforceable; that La. R.S 47:1676 is unconstitutional, specifically invalidating the portion of the statute allowing ODR’s allegedly aggressive protocols that adversely affect Louisiana citizens; a refund of ODR’s twenty-five percent collection fee; compensation under La. Civ. Code art. 2298 for unjust enrichment; class certification; and other general and equitable relief as appropriate. In the Original Petition, Plaintiffs named as defendants: LDR; ODR; the Department of Public Safety (“DPS”); the Office of Motor Vehicles (“OMV”); and Karen G. St. Germain as a defendant in her official capacity as OMV’s Commissioner - Custodian of Records.¹ Plaintiffs additionally requested service on the Attorney General.

LDR responded with Exceptions of Lack of Subject Matter Jurisdiction, Improper Venue, No Cause of Action, No Right of Action, Lack of Procedural Capacity, Vagueness, and Improper Use of Class Action Procedure. DPS and OMV responded with Exceptions of Lack of Subject Matter Jurisdiction and No Cause of Action. These Exceptions were set for hearing but continued by unopposed Motion. Plaintiffs subsequently voluntarily dismissed DPS and OMV’s Commissioner - Custodian of Records.

No Exception hearing occurred while this matter was pending before the 19th JDC and Plaintiffs filed their First Amended and Restated Class Action Petition (“Amended Petition”) for Declaratory Judgment.² The prayer for relief in the

¹ Plaintiffs named the agency heads of LDR and DPS in their official capacities as defendants.

² The record received from the 19th JDC contains a copy of the Amended Petition as an Exhibit to LDR’s re-filed Exceptions.

Amended Petition removed the request for class certification. However, the existence of the class was still alleged in the Petition.

Plaintiffs and the Department jointly moved that the case be transferred to this Board. An Order to transfer the record was signed by the 19th JDC on August 22, 2024. The Board received the record from the 19th JDC on December 11, 2024. The Parties stipulated that the transfer mooted LDR's Exception of Improper Venue.

After this matter was transferred to the Board, the Department moved for a hearing on its remaining Exceptions. The Department's Exceptions were heard on April 16, 2025. On May 8, 2025, the Board issued Judgment with Reasons, denying the Exceptions of Lack of Subject Matter Jurisdiction and No Right of Action. The Board granted the Exception of Lack of Procedural Capacity as to ODR, in accordance with the stipulations of the parties.

The Board further granted the Exception of No Cause of Action and ordered Plaintiffs to amend their Petition. Specifically, the Board ordered Plaintiffs to: state particularized constitutional claims under La. Const. Art. I, §27; to assert claims against the state authorized by La. R.S. 47:1481; and to assert claims for relief from a final assessment under La. R.S. 47:1565(C)(2)(b) – (c). Finally, the Board deferred ruling on the Exception of Vagueness pending amendment of the Petition.

Plaintiffs timely filed their Second Supplemental and Amended Class Action Petition for Declaratory Judgment ("2nd Amended Petition") on June 9, 2025. In the 2nd Amended Petition, Plaintiffs amended Paragraph 42 of their Amended Petition to allege:

Ms. Sanchez enjoys hunting and fishing but currently is unable to afford the licenses to do so; she would like to be able to do so in the future without the threat of instantly forfeiting the fees paid for the license through ODR's arbitrary revocation. To the extent that Ms. Sanchez represents the interests of absent class members, Ms. Sanchez alleges upon information and belief that absent class members enjoy hunting and fishing, but many are unable to afford the licenses to do so without the threat of instantly forfeiting the fees paid for the license through ODR's arbitrary revocation.

Plaintiffs also amended Paragraph 46 to raise identical allegations on behalf of Grunewald.

Plaintiffs additionally supplemented and amended their claims purporting to identify how La. R.S. 47:1676 specifically infringes upon their constitutional rights. With respect to claims concerning the right to hunt and fish under La. Const. Art. I §27, Plaintiffs allege that La. R.S. 47:1676's:

[U]nconstitutional infringement upon a citizen's protected right to hunt or fish cannot stand because it cannot pass any of the three tests of scrutiny. Assuming the test to infringe upon the right to hunt and fish is the rational basis test, it is questionable at best whether the state has a legitimate interest in collecting penalties for unpaid penalties. Additionally, the act of suspending a citizen's right to hunt and fish, or on a more basic level, to natural right to obtain food for themselves, is not rationally related to that interest (collecting penalties on penalties).

* * *

§47:1676 is additionally unconstitutional where it mandates license (driver's, hunting, fishing, and professional) suspensions without any procedural due process in violation of La. Const. art I, sec. 2.

With respect to claims concerning excessive fines and fees, Plaintiffs allege in their 2nd Amended Petition that "La. R.S. §47:1676 is additionally unconstitutional where it permits ODR to levy penalties on top of unpaid penalties in violation of U.S. Const. Amend. 8."

With respect to Claims against the State, Plaintiffs allege in their Second Supplemental and Amended Class Action Petition that:

If the payments collected under §47:1676 are held unconstitutional by the Board,

Plaintiffs are permitted relief by way of a:

- A refund of those illegal payments made within 1 year prior to filing this suit, which was October 3, 2023, and the illegal payments made since then; and
- A claim against the state for the refund of all illegal payments made within 3 years prior to filing this suit pursuant to La. R.S.

§47:1681 et. seq. [sic].³

The Department responded with Exceptions of No Cause of Action and Vagueness. The Department argues that Plaintiffs have again failed to state a cause of action for either the unconstitutionality of La. R.S. 47:1676, the application of La. Civ. Code art. 2298 (unjust enrichment), or for the recovery of money damages. In a similar line of attack, the Department asserts that Plaintiffs have failed to provide sufficient specificity in their 2nd Amended Petition to establish that La. R.S. 47:1676 violates the Louisiana Constitution “and/or facts to support any claim by Plaintiff Grunewald.”

Discussion:

No Cause of Action

The function of the exception of no cause of action is to test the legal sufficiency of the Petition by determining whether the law affords a remedy on the facts alleged in the petition. *Law Indus., LLC v. Dep’t of Educ.*, 23-794, p. 4 (La. 1/26/24), 378 So.3d 3, 7; *Everything on Wheels Subaru, Inc. v. Subaru South, Inc.*, 616 So.2d 1234, 1238 (La. 1993). In this context, a cause of action is defined as the operative facts that give rise to the plaintiffs’ right to judicially assert the action against the defendant. *Watson Mem’l Spiritual Temple of Christ v. Korban*, 2024-00055, p. 9 (La. 6/28/24); 387 So.3d 499, 506, *reh’g denied*, 2024-00055 (La. 8/2/24). For purposes of the exception, the Board must determine whether the law affords any relief to the Plaintiffs if they can prove the factual allegations in the petition and attachments thereto at trial. *Ramey v. DeCaire*, 03-1299, p. 7 (La. 3/19/04), 869 So.2d 114, 118. Accordingly, for this purpose, all allegations in the petition are accepted as true. *Jackson v. State ex rel. Dep’t. of Corrections*, 00-2882, p. 3 (La. 5/15/01), 785 So.2d

³ Counsel for Plaintiffs confirmed during the hearing that “La. R.S. 47:1681” is a typo and should refer to La. R.S. 47:1481.

803, 806. No evidence may be submitted in support or opposition to the exception.⁴ Furthermore, any doubt as to the sufficiency of the petition must be resolved in favor of denying the exception. La. C.C.P. art. 931; *State ex rel. Tureau v. BEPCO, L.P.*, 2021-0856, p. 17 (La. 10/21/22), 351 So.3d 297, 310.

In its prior Judgment, the Board dismissed Plaintiffs claims for unjust enrichment and damages. However, the Board granted leave for the Plaintiffs to amend their claims to seek relief under La. R.S. 47:1481 (claim against the state), based on essentially the same facts already alleged. In conformity with the Board's Order, Plaintiffs have amended their prayer for relief to assert entitlement to a return of moneys erroneously paid into the treasury pursuant to an unconstitutional statute. Plaintiffs have therefore complied with the Board's instructions. *See Church Point Wholesale Beverage Co., Inc. v. Tarver*, 614 So.2d 697, 706 (La. 1993) ("It is easily apparent that a tax voluntarily paid pursuant to an unconstitutional statute is 'money' 'erroneously paid into the State Treasury' by the taxpayer. . . . At the very least, such a situation falls under the term 'any other claim.'").

The Department's arguments related to money damages and unjust enrichment under La. Civ. Code art. 2298 are misplaced. The Board has already determined that Plaintiffs are not entitled to money damages or relief under a theory of unjust enrichment. Finally, to the extent that LDR re-urges its arguments as to whether Plaintiffs' remaining claims state a cause of action, the Board declines to reconsider its prior ruling. Accordingly, the Board denies the Exception of No Cause of Action.

Vagueness

⁴ La. C.C.P. art. 931; *Law Indus.*, 2023-00794, p. 4; 378 So.3d at 7. However, "evidence may be introduced to support or controvert any of the objections pleaded, when the grounds thereof do not appear from the petition." La. C.C.P. art. 931.

LDR argues that Plaintiffs have failed to provide sufficient specificity in their 2nd Amended Petition to establish that La. R.S. 47:1676 violates the Louisiana Constitution in any way and/or facts to support any claim by Plaintiff Grunewald. Plaintiffs allege that they would like to apply for licenses but are unable to afford to do so given the threat of arbitrary revocation. Plaintiffs also claim that there is no rational relationship between suspending a citizen's right to hunt and fish and the state's interest in collecting penalties on penalties.

A plaintiff bringing a constitutional challenge must specifically plead the particular grounds outlining the basis of the alleged unconstitutionality of the statute. *State v. Hatton*, 2007-2377 (La. 7/1/08), 985 So.2d 709. The particularity requirement protects against nebulous claims that simply assert a vague, general constitutional attack. *State v. 2003 Infiniti G35 VIN No. JNKCV51E93MO24167*, 2009-1193, p. 17 (La. 1/20/10), 27 So.3d 824, 836. The purpose of the requirement is to "afford interested parties sufficient time to brief and prepare arguments defending the constitutionality of the challenged statute." *Vallo v. Gayle Oil Co., Inc.*, 94-1238, p. 9 (La.11/30/94), 646 So.2d 859, 865. Additionally, the requirement that constitutional claims be particularly stated prevents the factual burden of proving a statute unconstitutional from improperly shifting to the state. *See City of Shreveport v. Pedro*, 170 La. 351, 353; 127 So. 865 (1930).

La. Const. Art. I §27 protects the "freedom to hunt, fish, and trap wildlife, including all aquatic life, traditionally taken by hunters, trappers and anglers."⁵ *Id.*

⁵ Plaintiffs also allege that La. R.S. 47:1676 is unconstitutional in mandating that hunting, fishing, and profession license suspensions without any due process in violation of La. Const. art. I §2. La. Const. art. I §2 states, "[n]o person shall be deprived of life, liberty, or property, except by due process of law." *Id.*; *see also* U.S. Const. amends. V, XIV. "Procedural due process imposes constraints on governmental decisions which deprive individuals of property interests within the meaning of the Fourteenth Amendment." *Messina v. St. Charles Par. Council*, 03-644, p. 5 (La. App. 5 Cir. 12/30/03), 865 So.2d 158, 161, *writ denied*, 2004-0285 (La. 3/26/04), 871 So.2d 354. "Thus, in any due process claim involving the loss of property, the claimant must show the existence of a property interest that has been adversely affected by state action." *Id.* *citing Martin v. Rush's Fabricare Center, Inc.*, 590 So.2d 707, 709 (La. App. 3rd Cir.1991). The desire to obtain a license to hunt and fish is akin to an "abstract need or desire" to obtain a license. *See Cope v. Bd. of Supervisors of Louisiana State Univ. & A&M Coll.*, 2025-0036, p. 10 (La. App. 1 Cir. 7/31/25); 418 So.3d 994, 1002 (citing *American*

The provision recognizes that the right is subject to regulation “consistent with Article IX, Section I of the Constitution of Louisiana to protect, conserve and replenish the natural resources of the state.” *Id.* Here, Plaintiffs have alleged that there is no relationship between ODR penalty fees and the conservation of the “natural resources of the state, including air and water, and the healthful, scenic, historic, and esthetic quality of the environment.” La. Const. art. IX §1. The issue raised is whether there is a constitutionally sufficient relationship between seizing a debtor’s hunting and fishing license for an unpaid debt owed to the state and the preservation of the state’s natural resources. That question is properly resolved on the merits.

Conclusion:

For the foregoing reasons, the Department’s Exceptions of No Cause of Action and Vagueness is denied. Plaintiffs have pled sufficient facts to state claims for Declaratory Judgment that La. R.S. 47:1676 is unconstitutional and claims against the state for money erroneously paid to the state pursuant to an unconstitutional tax. Plaintiffs have additionally pled sufficient particulars to identify the issues and facts relevant to the constitutionality of La. R.S. 47:1676 under La. Const. Art. I §27. Finally, the Board declines the Department’s invitation to revisit its prior rulings on the Department’s Exceptions.

BATON ROUGE, LOUISIANA, THIS 4TH DAY OF DECEMBER, 2025.

FOR THE BOARD:



CHAIRMAN FRANCIS J. “JAY” LOBRANO
LOUISIANA BOARD OF TAX APPEALS

International Gaming Association, Inc. v. Louisiana Riverboat Gaming Commission, 2000-2864 (La. App. 1st Cir. 9/11/02), 838 So.2d 5 (riverboat casino had no property interest in a license it did not hold); *Belle Co., LLC v. State*, 2008-2382 (La. App. 1 Cir. 6/12/09), 25 So.3d 847 (applying for DEQ permit did not create a property interest for landfill company)). Plaintiffs have not alleged a due process claim with respect to their hunting and fishing licenses. However, for the reasons discussed above, Plaintiffs have stated a constitutional challenge under La. Const. Art. I §27