

Department of Planning and Budget 2017 Fiscal Impact Statement

1. **Bill Number:** SB854

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. **Patron:** Stanley

3. **Committee:** Senate Committee for Courts of Justice

4. **Title:** Unpaid court fines, etc.; increases grace period for collection.

5. **Summary:** Increases the grace period after which collection activity for unpaid court fines, costs, forfeitures, penalties, and restitution may be commenced from 30 days to 90 days after sentencing or judgment.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Indeterminate (see Item #8)

8. **Fiscal Implications:** According to the Office of the Executive Secretary of the Supreme Court (OES), the proposed bill is not expected to have a material fiscal impact on courts. Under current law, if a person cannot pay the fines and costs immediately, or within 30 days, the person would enter into a “time to pay” plan with installment or deferred payments. If payment or a payment arrangement is not made within thirty days, the account becomes delinquent and the Commonwealth’s Attorney is then responsible for the collection of the delinquent amounts.

In FY 2016, Commonwealth’s Attorneys utilized in-house collection programs or contracted with private agents, local treasurers or the Virginia Department of Taxation (TAX) for the collection of delinquent fines and fees with collection fees ranging from 17 to 35 percent. The Department of Taxation’s (TAX) Court Debt Collection Office collects fines and costs for one or more courts in 92 localities and is compensated at a rate of 17 percent of the amounts collected through its efforts.

Revenue from assessment of court costs against persons convicted of crimes is deposited into the general fund. Fines are deposited into the Commonwealth’s Literary Fund. In addition, various fees are required by law to be assessed and the revenue is deposited into a large number of special funds that support specified programs at the state and local level. According to TAX, the fiscal impact of delaying collection action an additional 60 days as prescribed in the proposed bill cannot be determined, but is potentially significant for collection experience has shown that the collectability of receivables declines with age.

9. Specific Agency or Political Subdivisions Affected: Courts, Localities, Compensation Board, TAX and the Literary Fund.

10. Technical Amendment Necessary: No

11. Other Comments: None