

Department of Planning and Budget

2017 Fiscal Impact Statement

1. Bill Number: SB854ER

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Stanley

3. Committee: Passed Both Houses

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. The bill also establishes the requirements for deferred or installment payment agreements that a court must offer a defendant who is unable to pay court-ordered fines, costs, forfeitures, and penalties. If the defendant does not enter into an installment payment agreement under § 19.2-354 for the outstanding amount owed, the attorney for the Commonwealth and the clerk may agree to a process by which collection activity may be commenced 90 days after judgment. The substitute bill requires the clerk of the circuit court to submit a monthly report to the judge, Department of Taxation, State Compensation Board and attorney for the Commonwealth of all fines, cost, forfeitures and penalties which are delinquent more than 90 days.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Final (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. The proposed bill would extend the grace period from 30 days to 90 days after sentencing or judgment before a delinquent account is turned over to the Commonwealth’s Attorney for collection action.

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. 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.

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.

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