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HOUSE BILL NO. 1895

House Amendments in [] - February 2, 2021

A BILL to amend and reenact §§ 19.2-353.5 through 19.2-355 of the Code of Virginia, relating to fines and costs; accrual of interest; deferral or installment payment agreements.

Patron Prior to Engrossment—Delegate Hudson

Referred to Committee for Courts of Justice

Be it enacted by the General Assembly of Virginia:

1. That §§ 19.2-353.5 through 19.2-355 of the Code of Virginia are amended and reenacted as follows:

§ 19.2-353.5. Interest on fines and costs.

A. For purposes of this section, "incarcerated" or "incarceration" means confinement in a local or regional correctional facility, juvenile correctional facility, state correctional facility, residential detention center, or facility operated pursuant to the Corrections Private Management Act (§ 53.1-261 et seq.).

B. No interest shall accrue on any fine or costs imposed in a criminal case or in a case involving a traffic infraction (i) for a period of 40 180 days from following the date of the final judgment imposing such fine or costs or; (ii) during any period the defendant is incarcerated; and (iii) for a period of 180 days following the date of the defendant's release from incarceration if the sentence includes an active term of incarceration [- Upon a defendant's release from incarceration, the facility where the defendant was incarcerated shall notify the court using a form developed by the Office of the Executive Secretary of the Supreme Court] .

C. A person who owes fines and costs on which interest has accrued during a period of incarceration may move any court in which he owes fines and costs to waive the interest that accrued on such fines and costs during such period of incarceration. Upon certification of the period of incarceration by the superintendent, warden, or other official in charge of a correctional facility on a form developed by the Office of the Executive Secretary of the Supreme Court, such interest shall be waived.

D. In no event shall interest accrue in such cases during any period in which a fine, costs, or both a fine and costs are being paid in deferred or installment payments pursuant to an order of the court. Whenever interest on any unpaid fine or costs accrues, it shall accrue at the judgment rate of interest set forth in § 6.2-302.

§ 19.2-354. Authority of court to order payment of fine, costs, forfeitures, penalties or restitution in installments or upon other terms and conditions; community work in lieu of payment.

A. Whenever (i) a Any defendant, convicted of a traffic infraction or a violation of any criminal law of the Commonwealth or of any political subdivision thereof, or found not innocent in the case of a juvenile, who is sentenced to pay a fine, restitution, forfeiture, or penalty and (ii) the defendant is unable to make payment of the fine, restitution, forfeiture, or penalty and costs within 30 days of sentencing, the court shall order the defendant to may pay such fine, restitution, forfeiture, or penalty and any costs which that the defendant may be required to pay in deferred payments or installments. The court assessing the fine, restitution, forfeiture, or penalty and costs may shall authorize the clerk to establish and approve individual deferred or installment payment agreements. No fee shall be assessed in connection with a defendant's participation in a deferred or installment payment agreement. If the defendant owes court-ordered restitution and enters into a deferred or installment payment agreement, any money moneys collected pursuant to such agreement shall be used first to satisfy such restitution order and any collection costs associated with restitution prior to being used to satisfy any other fine, forfeiture, penalty, or cost owed. Any payment agreement authorized under this section shall be consistent with the provisions of § 19.2-354.1, including any required minimum payments or other required conditions. The requirements set forth in § 19.2-354.1 shall be posted in the clerk's office and on the court's website, if a website is available. As a condition of every such agreement, a defendant who enters into an installment or deferred payment agreement shall promptly inform the court of any change of mailing address during the term of the agreement. [If the defendant is unable to make payment within 90 days of sentencing, the court may assess a one-time fee not to exceed \$10 to cover the costs of management of the defendant's account until such account is paid in full. This one-time fee shall not apply to cases in which costs are assessed pursuant to § 17.1-275.1, 17.1-275.2, 17.1-275.3, 17.1-275.4, 17.1-275.7, 17.1-275.8, or 17.1-275.9.] Installment or deferred payment agreements shall include terms for payment if the defendant participates in a program as provided in subsection B or C.

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59 The court, if such sum or sums are not paid in full by the date ordered, shall proceed in accordance
60 with § 19.2-358.

61 B. When a person sentenced to the Department of Corrections or a local correctional facility owes
62 any fines, costs, forfeitures, restitution, or penalties, he shall be required as a condition of participating
63 in any work release, home/electronic incarceration, or nonconsecutive days program as set forth in
64 § 53.1-60, 53.1-131, 53.1-131.1, or 53.1-131.2 to either make full payment or make payments in
65 accordance with his installment or deferred payment agreement while participating in such program. If,
66 after the person has an installment or deferred payment agreement, the person fails to pay as ordered,
67 his participation in the program may be terminated until all fines, costs, forfeitures, restitution, and
68 penalties are satisfied. The Director of the Department of Corrections and any sheriff or other
69 administrative head of any local correctional facility shall withhold such ordered payments from any
70 amounts due to such person. Distribution of the ~~money~~ moneys collected shall be made in the following
71 order of priority to:

72 1. Meet the obligation of any judicial or administrative order to provide support and such funds shall
73 be disbursed according to the terms of such order;

74 2. Pay any restitution as ordered by the court;

75 3. Pay any fines or costs as ordered by the court;

76 4. Pay travel and other such expenses made necessary by his work release employment or
77 participation in an education or rehabilitative program, including the sums specified in § 53.1-150; and

78 5. Defray the offender's keep.

79 The balance shall be credited to the offender's account or sent to his family in an amount the
80 offender so chooses.

81 The State Board of Local and Regional Jails shall promulgate regulations governing the receipt of
82 wages paid to persons sentenced to local correctional facilities participating in such programs, the
83 withholding of payments, and the disbursement of appropriate funds. The Director of the Department of
84 Corrections shall prescribe rules governing the receipt of wages paid to persons sentenced to state
85 correctional facilities participating in such programs, the withholding of payments, and the disbursement
86 of appropriate funds.

87 C. The court shall establish a program and may provide an option to any person upon whom a fine
88 and costs have been imposed to discharge all or part of the fine or costs by earning credits for the
89 performance of community service work (i) before or after imprisonment or (ii) in accordance with the
90 provisions of § 19.2-316.4, 53.1-59, 53.1-60, 53.1-128, 53.1-129, or 53.1-131 during imprisonment. The
91 program shall specify the rate at which credits are earned and provide for the manner of applying earned
92 credits against the fine or costs. The court assessing the fine or costs against a person shall inform such
93 person of the availability of earning credit toward discharge of the fine or costs through the performance
94 of community service work under this program and provide such person with written notice of terms
95 and conditions of this program. The court shall have such other authority as is reasonably necessary for
96 or incidental to carrying out this program.

97 D. When the court has authorized deferred payment or installment payments, the clerk shall give
98 notice to the defendant that upon his failure to pay as ordered he may be fined or imprisoned pursuant
99 to § 19.2-358.

100 E. The failure of the defendant to enter into a deferred payment or installment payment agreement
101 with the court or the failure of the defendant to make payments as ordered by the agreement shall allow
102 the Tax Commissioner to act in accordance with § 19.2-349 to collect all fines, costs, forfeitures, and
103 penalties.

104 **§ 19.2-354.1. Deferred or installment payment agreements.**

105 A. For purposes of this section:

106 "Deferred payment agreement" means an agreement in which no installment payments are required
107 and the defendant agrees to pay the full amount of the fines and costs at the end of the agreement's
108 stated term.

109 "Fines and costs" means all fines, court costs, forfeitures, and penalties assessed in any case by a
110 single court against a defendant for the commission of any crime or traffic infraction. "Fines and costs"
111 includes restitution unless the court orders a separate payment schedule for restitution.

112 "Installment payment agreement" means an agreement in which the defendant agrees to make
113 monthly or other periodic payments until the fines and costs are paid in full.

114 "Modified deferred payment agreement" means a deferred payment agreement in which the defendant
115 also agrees to use best efforts to make monthly or other periodic payments.

116 B. The court shall give a defendant ordered to pay fines and costs written notice of the availability
117 of deferred, modified deferred, and installment payment agreements and, if a community service
118 program has been established, the availability of earning credit toward discharge of fines and costs
119 through the performance of community service work. The court shall offer any defendant ~~who is unable~~
120 ~~to pay in full the fines and costs within 30 days of sentencing~~ the opportunity to enter into a deferred

payment agreement, modified deferred payment agreement, or installment payment agreement.

C. The court shall not deny a defendant the opportunity to enter into a deferred, modified deferred, or installment payment agreement solely (i) because of the category of offense for which the defendant was convicted or found not innocent, (ii) because of the total amount of all fines and costs, (iii) because the defendant previously defaulted under the terms of a payment agreement, (iv) because the fines and costs have been referred for collections pursuant to § 19.2-349, or (v) because the defendant has not established a payment history.

D. In determining the length of time to pay under a deferred, modified deferred, or installment payment agreement and the amount of the payments, a court shall take into account the defendant's financial resources and obligations, including any fines and costs owed by the defendant in other courts. In assessing the defendant's ability to pay, the court shall use a written financial statement, on a form developed by the Executive Secretary of the Supreme Court, setting forth the defendant's financial resources and obligations or conduct an oral examination of the defendant to determine his financial resources and obligations. The length of a payment agreement and the amount of the payments shall be reasonable in light of the defendant's financial resources and obligations and shall not be based solely on the amount of fines and costs. The court may offer a payment agreement combining an initial period during which no payment of fines and costs is required followed by a period of installment payments.

E. ~~A court may require a down payment as a condition of a defendant entering a deferred, modified deferred, or installment payment agreement. Any down payment shall be a minimal amount to demonstrate the defendant's commitment to paying the fines and costs. In the case of an installment payment agreement, the required down payment may not exceed (i) if the fines and costs owed are \$500 or less, 10 percent of such amount or (ii) if the fines and costs owed are more than \$500, five percent of such amount or \$50, whichever is greater. A defendant may make a larger down payment than what is provided by this subsection. No court shall require a defendant to make a down payment upon entering a deferred, modified deferred, or installment payment agreement, other than a subsequent payment agreement, in which case the court may require a down payment pursuant to subsection I. Nothing in this section shall prevent a defendant from voluntarily making a down payment upon entering any payment agreement.~~

F. All fines and costs that a defendant owes for all cases in any single court may be incorporated into one payment agreement, unless otherwise ordered by the court in specific cases. A payment agreement shall include only those outstanding fines and costs for which the limitations period set forth in § 19.2-341 has not run.

G. Any payment received within 10 days of its due date shall be considered to be timely made.

H. At any time during the duration of a payment agreement, the defendant may request a modification of the agreement in writing on a form provided by the Executive Secretary of the Supreme Court, and the court may grant such modification based on a good faith showing of need.

I. ~~A court shall consider a request by a defendant who has defaulted on a payment agreement to enter into a subsequent payment agreement. A defendant who has defaulted on a payment agreement may petition the court for a subsequent payment agreement.~~ In determining whether to approve the request for a subsequent payment agreement, the court shall consider any change in the defendant's circumstances. A court ~~shall~~ *may* require a down payment to enter into a subsequent payment agreement, provided that the down payment required to enter into a subsequent payment agreement shall not exceed (i) if the fines and costs owed are \$500 or less, 10 percent of such amount or (ii) if the fines and costs owed are more than \$500, five percent of such amount or \$50, whichever is greater. When a defendant enters into a subsequent payment agreement, a court shall not require a defendant to establish a payment history on the subsequent payment agreement before restoring the defendant's driver's license.

§ 19.2-355. Petition of defendant.

(a) ~~In determining whether the defendant is unable to pay such fine forthwith, the~~ The court may require ~~such any~~ defendant entering a deferred, modified deferred, or installment payment agreement to file a petition, under oath, with the court, upon a form provided by the court, setting forth the financial condition of the defendant.

(b) Such form shall be a questionnaire, and shall include, but shall not be limited to: the name and residence of the defendant; his occupation, if any; his family status and the number of persons dependent upon him; his monthly income; whether or not his dependents are employed and, if so, their approximate monthly income; his banking accounts, if any; real estate owned by the defendant, or any interest he may have in real estate; income produced therefrom; any independent income accruing to the defendant; tangible and intangible personal property owned by the defendant, or in which he may have an interest; and a statement listing the approximate indebtedness of the defendant to other persons. Such form shall also include a payment plan of the defendant, ~~if the court should exercise its discretion in permitting the payment of such fine and costs in installments or other conditions to be fixed by the court.~~ At the end of such form there shall be printed in bold face type, in a distinctive color the

182 following: THIS STATEMENT IS MADE UNDER OATH, ANY FALSE STATEMENT OF A
183 MATERIAL FACT TO ANY QUESTION CONTAINED HEREIN SHALL CONSTITUTE PERJURY
184 UNDER THE PROVISIONS OF § 18.2-434 OF THE CODE OF VIRGINIA. THE MAXIMUM
185 PENALTY FOR PERJURY IS CONFINEMENT IN THE PENITENTIARY FOR A PERIOD OF TEN
186 YEARS. A copy of the petition shall be retained by the defendant.

187 (c) If the defendant is unable to read or write, the court, or the clerk, may assist the defendant in
188 completing the petition and require him to affix his mark thereto. The consequences of the making of a
189 false statement shall be explained to such defendant.