



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2025 Biennium

Bill information:

HB0541 - Require interest on criminal restitution and fines (Ler, Brandon)

Status: As Introduced

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2024 Difference</u>	<u>FY 2025 Difference</u>	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>
Expenditures:				
General Fund	\$151,000	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$151,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 541 requires that interest be levied on misdemeanor and felony criminal restitution and fines. Adding interest and the calculation of interest to restitution and fees in the FullCourt case management system (FCE) will require modifications to the program and to each court database. Training will also have to be provided to clerks of court to ensure data is entered correctly in the FCE system. The process for calculating and applying the interest rate would require programming changes to the Department of Corrections' (DoC) restitution collection software. The department estimates a one-time fee of \$15,000 associated with this change.

FISCAL ANALYSIS

Assumptions:**Judicial Branch**

1. The interest setup is not global and will have to be separately configured for each of the 136 individual courts.
2. The FCE fee schedules are not global and will have to be separately configured for each of the 136 individual courts.

3. It is estimated that the configuration to include the interest setup and modify the fee schedules will take a minimum of two hours per court at the \$200/hour contracted rate for a total of \$54,400 (2 hours x 136 courts x \$200/hour).
4. Court clerks in each court will have to be trained on how to correctly enter the data. It is assumed that training will be a minimum of three hours per court at the \$200/hour contracted rate for a cost of \$81,600 (3 hours x 136 courts x \$200/hour).
5. Total one-time costs to modify the case management system(s) for each court and provide training is \$136,000, to be incurred in FY 2024.
6. Many offenders make a fixed payment towards their fines each month, regardless of the outstanding balance. Due to this fact, it is possible that the revenue impact of the bill will be seen later, as offenders near completion of their payments.

Department of Corrections (DoC)

7. A process would need to be determined for the calculation and application of the interest rate. That process would include a modification to the system used to track restitution. The costs to the department are estimated at \$15,000 in the first fiscal year.
8. The department is unable to quantify the impact on revenue collection. Many offenders make a fixed payment towards their restitution each month, regardless of the outstanding balance. Due to this fact, it is possible that the revenue impact of the bill will be seen later, as offenders near completion of their payments.

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$151,000	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0
TOTAL Expenditures	<u>\$151,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$151,000	\$0	\$0	\$0
TOTAL Funding of Exp.	<u>\$151,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
TOTAL Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$151,000)	\$0	\$0	\$0

NOT SIGNED BY SPONSOR

_____	_____	_____	_____
<i>Sponsor's Initials</i>	<i>Date</i>	<i>Budget Director's Initials</i>	<i>Date</i>