



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 Amended in House Committee

- 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</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>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$15,000	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: HB 541 requires a court to order an offender to pay accrued interest on any fine and restitution if ordered as a condition of a sentence the court has imposed. The bill would apply interest to outstanding restitution balances if an offender were out of compliance with court-mandated payments [of fines] for 6 months or more at a rate of 3%. The interest may not compound. The process for calculating and applying the interest rate would require programming changes to the restitution collection software. The Department of Corrections (DoC) estimates a one-time cost of \$15,000 associated with this change.

FISCAL ANALYSIS

Assumptions:

Department of Corrections (DoC)

1. 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. This cost would be paid from the restitution fund.

- 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	\$15,000	\$0	\$0	\$0
TOTAL Expenditures	\$15,000	\$0	\$0	\$0
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$15,000	\$0	\$0	\$0
TOTAL Funding of Exp.	\$15,000	\$0	\$0	\$0
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$15,000)	\$0	\$0	\$0

Technical Notes:

- The bill does not specify the order in which payments should be applied to existing obligations. It is unclear if the payments should be applied to the restitution balance prior to being applied to outstanding interest, or if payments should be prorated.



Sponsor's Initials



Date



Budget Director's Initials



Date