

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 485** HLS 22RS 834

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 12, 2022 9:49 AM	<b>Author:</b> MARCELLE
<b>Dept./Agy.:</b> Department of Revenue	<b>Analyst:</b> Prashant Sastry
<b>Subject:</b> Collection of Criminal Fines, Fees and Costs	

REVENUE DEPARTMENT RE DECREASE GF RV See Note  
Provides relative to the collection of certain criminal fines, fees, and costs

Proposed law reduces the maximum collection fee amount from 25% to 10% for any debt that originates from a criminal fine, fee, or cost as a percentage of the total liability of the final debt.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

  

<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. While the proposed law does not directly impact state governmental expenditures, it does exclude the 10% collection fee from being assessed to any debt that originates from a criminal fine, fee, or cost. Presently, ODR charges up to a 25% collection fee on all delinquent debt and utilizes collection fees to cover 100% of the office's operational costs, which includes funding for mailing notices, letters, statements, certified offset letters, and outside collection agencies (OCA).

**REVENUE EXPLANATION**

The proposed law reduces state general fund revenue and self-generated revenue within ODR as a result of reducing the assessed collection fee from 25% to 10% for debt that originates from criminal fines or fees. ODR reports that 94% of the current debt inventory would be classified as criminal. The Legislative Fiscal Office cannot reasonably determine the percentage of delinquent debt that would be considered criminal. The *2020-2021 Annual Tax Collection Report* states that ODR collected a total of \$40,899,760, which includes \$8,663,705 of self-generated revenue for ODR. The majority of delinquent debt revenue collected in FY 21 originated from the Office of Motor Vehicles (\$37.5 M) and the Department of Corrections (\$1.02 M).

For illustrative purposes, if the maximum collection fee were reduced from 25% to 10%, and that 94% of the debt collected is considered to be criminal, ODR's self-generated revenue would decrease from \$8,143,883 to \$3,030,189 based on information provided from the *2020-2021 Annual Tax Collection Report*.

ODR reports that the reduction of collection fees for debt originating from criminal fines and fees would severely restrict their ability to collect this debt.

Senate  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**