

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5026-01  
Bill No.: SB 1119  
Subject: Jails and Prisons; Courts; Fees  
Type: Original  
Date: February 22, 2008

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Bill Summary: The proposal creates a ten-dollar court surcharge to reimburse counties for the cost of incarcerating state prisoners.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Prisoner Incarceration Reimbursement	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Local Government</b>	<b>\$3,955,821 to \$4,941,338</b>	<b>\$5,176,887 to \$6,367,718</b>	<b>\$5,217,940 to \$6,416,983</b>

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Courts Administrator (CTS)** assume felony collection rates are only between 50% and 60%, and misdemeanor collection rates average 80%. The proposed court cost is assessed on misdemeanor and felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years. CTS assumes the felony collection rate increases over a period of four years, which CTS believe to be the average probation served for felonies. The collection rate for misdemeanors increases over two years, the average probation time for misdemeanants.

#### Exclude Fine Collection Center

Based on a 50% felony collection rate, CTS calculations indicate that the legislation will produce \$4,746,985 in the 1<sup>st</sup> 12 months, \$5,176,887 in the 2<sup>nd</sup> 12 months, \$5,217,940 in the 3<sup>rd</sup> 12 months, and \$5,258,994 annually thereafter. Based on a 60% felony collection rate, CTS calculations indicate that the legislation will produce \$4,755,196 in the 1<sup>st</sup> 12 months, \$5,193,308 in the 2<sup>nd</sup> 12 months, \$5,242,573 in the 3<sup>rd</sup> 12 months, and \$5,291,837 annually thereafter.

#### Include Fine Collection Center

Based on a 50% felony collection rate, CTS calculations indicate that the legislation will produce \$5,921,395 in the 1<sup>st</sup> 12 months, \$6,351,297 in the 2<sup>nd</sup> 12 months, \$6,392,350 in the 3<sup>rd</sup> 12 months, and \$6,433,404 annually thereafter. Based on a 60% felony collection rate, CTS calculations indicate that the legislation will produce \$5,929,606 in the 1<sup>st</sup> 12 months, \$6,367,718 in the 2<sup>nd</sup> 12 months, \$6,416,983 in the 3<sup>rd</sup> 12 months, and \$6,466,247 annually thereafter.

For fiscal note purposes, **Oversight** assumes the revenues generated would range from a low using CTS estimates of a 50% felony collection rate and excluding collections made by the fine collection center to a high using CTS estimates of a 60% felony collection rate and including collections made by the fine collection center. The FY 09 estimates reflect 10 months of collections due to the August 28, 2008 effective date. Oversight assumes payments to counties would equal revenues generated.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state they currently have procedures in effect to reimburse the counties for the cost of incarcerating prisoners. So far in FY08, DOC has expended \$23,603,077 toward this function. It is unknown what procedures may be put into effect due to passage of this bill. If another FTE would be required to perform newly required duties due to the increased volume, fiscal impact would occur but would be less than \$100,000 per each fiscal year.

**Oversight** assumes the Department of Corrections (DOC) could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of the DOC would be reflected in future budget requests.

Officials from the **State Treasurer's Office (STO)** assume the monies will be remitted to the Department of Revenue (DOR) with all other fees collected and remitted to the state by the counties. STO assumes the DOR will post the deposit to the fund. STO assumes no fiscal impact to their agency.

**Oversight** assumes local sheriff's departments would receive reimbursements from the Department of Corrections equal to the court surcharges collected.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>PRISONER INCARCERATION REIMBURSEMENT FUND</b>			
<u>Revenues – Office of State Courts Administrator</u>			
Court surcharges	\$3,955,821 to \$4,941,338	\$5,176,887 to \$6,367,718	\$5,217,940 to \$6,416,983
<u>Costs – Department of Corrections</u>			
Reimbursements to counties	( <u>\$3,955,821 to \$4,941,338</u> )	( <u>\$5,176,887 to \$6,367,718</u> )	( <u>\$5,217,940 to \$6,416,983</u> )
<b>ESTIMATED NET EFFECT ON PRISONER INCARCERATION REIMBURSEMENT FUND</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>POLITICAL SUBDIVISIONS</b>			
<u>Revenues</u> – Law Enforcement Agencies			
Reimbursements from state	\$3,955,821 to <u>\$4,941,338</u>	\$5,176,887 to <u>\$6,367,718</u>	\$5,217,940 to <u>\$6,416,983</u>
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>\$3,955,821 to</u> <u>\$4,941,338</u></b>	<b><u>\$5,176,887 to</u> <u>\$6,367,718</u></b>	<b><u>\$5,217,940 to</u> <u>\$6,416,983</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation would impose a \$10 surcharge in all civil and criminal cases, including municipal and ordinance violations. This money shall be payable to the state treasurer and deposited into the "Prisoner Incarceration Reimbursement Fund," which is created in the proposal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of State Courts Administrator  
Department of Corrections  
State Treasurer's Office



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