

Fiscal Estimate - 2003 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 03-2069/2	Introduction Number AB-361
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Subject
 Fine and forfeiture collections

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input checked="" type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By CTS/ Nancy Rottier (608) 267-9733	Authorized Signature Nancy Rottier (608) 267-9733	Date 12/16/2003
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Fiscal Estimate Narratives
CTS 12/17/2003

LRB Number	03-2069/2	Introduction Number	AB-361	Estimate Type	Original
Subject					
Fine and forfeiture collections					

Assumptions Used in Arriving at Fiscal Estimate

This bill allows counties to keep 40% of state fines and forfeitures not collected in the first 120 days after they are imposed, with two limitations: (a) it only applies if the county employs collection staff who work for more than one county; and (b) it only is effective until June 30, 2005.

Under s. 59.25 (3)(j), Stats., the county treasurer pays 50% of state forfeitures, fines and penalties collected under chs. 341 to 347, 349 and 351 to the state; the county retains the other 50%. For other fines and penalties, the county treasurer pays 90% to the state and retains 10% for the county as an administrative fee. This bill appears to involve all fines and forfeitures without regard to the percentage to be retained by the county.

Including all fines and forfeitures in this bill actually reduces the county's share of state forfeitures, fines and penalties collected under chs. 341 to 347, 349 and 351 from 50% to 40%, for those that meet the two limitations of the bill. It would increase the county's share for other fines and forfeitures that are subject to the 90/10 split. This appears to create an economic incentive for counties to collect traffic fines and forfeitures (those collected under chs. 341 to 347, 349 and 351) within 120 days after they are imposed because the county would receive 50% of the amount collected, and to postpone collection efforts on other fines and forfeitures until more than 120 days after they are imposed so that the county would receive 40% rather than 10%.

For the fiscal year July 2002 through June 2003, the amount collected under chs. 341 to 347, 349 and 351 was \$16,809,807. The counties retained \$8,404,856 and paid \$8,404,951 to the state. The total amount of the other fines and penalties that were subject to the 90/10 split was \$9,865,668; the counties retained \$986,582 and paid \$8,879,986 to the state. The total collected was \$26,675,475, with \$9,391,438 retained by the counties and \$17,284,037 paid to the state.

This bill could result in significant revenue loss for the state. Assuming all collections had been subject to the conditions of this bill, that is, they were not collected in the first 120 days and the county employed collection staff that work for more than one county, and assuming the provisions of the bill would not impact the timing of collection efforts, then the state's share of the fines and forfeitures would be \$16,005,285, a decrease in revenue to the state of \$1,278,752.

It is impossible to predict the exact fiscal impact of this bill because it can vary depending on how many counties employ collection staff who work for more than one county and on what portion of fines and forfeitures are collected within the first 120 days of being imposed. We are not aware of any counties that currently meet the requirements of this bill by employing collection staff who work for more than one county.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2003 Session

Detailed Estimate of Annual Fiscal Effect

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Subject			
Fine and forfeiture collections			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-indeterminate	\$+indeterminate
Agency/Prepared By		Authorized Signature	Date
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