

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 122

(Chair, Judicial Proceedings Committee)(By Request -
Departmental - Public Safety and Correctional Services)

Judicial Proceedings

Courts and Judicial Proceedings - Crime Victims and Witnesses Funds - Court Costs

This departmental bill increases, from \$45 to \$60 and from \$35 to \$50, the amount of court costs that must be imposed on a defendant convicted of a crime in the circuit court or District Court, respectively. The bill also increases, from \$3 to \$5, the amount of court costs that must be imposed on a defendant convicted of certain motor vehicle offenses in the District Court.

The bill takes effect July 1, 2012.

Fiscal Summary

State Effect: Special fund revenues for the Criminal Injuries Compensation Fund (CICF) increase by \$2.2 million annually beginning in FY 2013. Reprinting costs for the Judiciary of citation books are expected to total \$170,000 in FY 2013. Any reprogramming costs for the Judiciary are assumed to be minimal.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
SF Revenue	\$2,157,500	\$2,157,500	\$2,157,500	\$2,157,500	\$2,157,500
GF Expenditure	\$170,000	\$0	\$0	\$0	\$0
Net Effect	\$1,987,500	\$2,157,500	\$2,157,500	\$2,157,500	\$2,157,500

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The Department of Public Safety and Correctional Services (DPSCS) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: Court costs are imposed on a defendant convicted of a crime in the amount of \$45 for the circuit court and \$35 for the District Court. Court costs, in the amount of \$3, are imposed on a defendant convicted of certain motor vehicle offenses in the District Court.

The Comptroller deposits \$22.50 from each fee collected in circuit court and \$12.50 from each fee collected in District Court (excluding fees from motor vehicle cases that are not punishable by imprisonment) into the State Victims of Crime Fund (SVCF), a special fund used for carrying out statutory guidelines for treatment and assistance to victims of crime and delinquent acts. The State Board of Victims Services in the Governor's Office of Crime Control and Prevention is responsible for administering the fund.

The Comptroller deposits \$2.50 from each fee collected in circuit courts and the District Court (excluding fees from motor vehicle cases that are not punishable by imprisonment) to the Victim and Witness Protection and Relocation Fund (VWPRF). This is a special fund used to carry out the Victim and Witness Protection and Relocation Program which is administered by the States' Attorneys' coordinator.

All other monies from these fees are deposited into CICF, a special fund within DPSCS, that provides financial assistance for innocent victims of crime. The fund is administered by the Criminal Injuries Compensation Board (CICB).

CICF and SVCF share the first \$500,000 attained from the \$3 assessed in the District Court for motor vehicle cases that are not punishable by imprisonment. After the \$500,000 threshold is reached and each fund has acquired \$250,000, CICF receives the remainder of funding from these fees.

In addition to monies transferred to CICF under the Criminal Injuries Compensation Act, the Comptroller is required to annually transfer \$500,000 to CICF and \$125,000 to VWPRF, which must be in addition to the transfers cited above and which is also drawn from court costs in criminal and traffic cases in the District Court.

Background: DPSCS advises that the fees have not been altered since 1997. Although the revenue from the court costs has been relatively stable (approximately \$3.7 million annually), the amount paid by CICB has increased from \$3.7 million in fiscal 2001 to \$7.4 million in fiscal 2010.

In fiscal 2011, a total of 1,630 claims were filed, of which 1,628 initially met the statutory minimum requirements. In fiscal 2011, CICB ordered \$8.2 million in awards, but was only able to disburse \$5.2 million during the fiscal year because of fiscal

constraints. An additional \$875,400 was spent on administrative costs. The proposed State budget estimates payments of \$4.8 million for more than 900 awards in fiscal 2013.

The U.S. Department of Justice, through the Victims of Crime Act (VOCA), reimburses states for 60% of funds expended on claims. Federal reimbursements via VOCA average about \$2 million annually.

Recent Fund Balance Concerns

CICF special fund revenues are used to support crime victim compensation as well as CICB operating expenses. As a result of operational improvements enacted between fiscal 2002 and 2004, including a new automated tracking system, increased staffing, and a more aggressive outreach effort, CICB increased both the number of awards made to crime victims and the amount of State funding used to support this purpose. CICB used the previously available fund balance to help support this growth. As a result, special fund appropriation for CICB has exceeded annual revenues since fiscal 2005. From fiscal 2009 through 2010, the CICF fund balance had been exhausted.

Chapter 482 of 2010 (the Budget Bill) provided \$570,600 in deficiency funds in fiscal 2009 from the federal American Recovery and Reinvestment Act. To address its fiscal situation, CICB was required to report to the legislative budget committees by October 15, 2010 (among several requirements), on proposed solutions for addressing the fiscal concerns regarding the amount of funding available for making awards to victims of crime, including potential legislation. Failure to comply with the reporting requirement risked the loss of \$6.7 million in State and federal appropriations to the CICF for fiscal 2011. In that report, CICB recommended legislation increasing fee amounts collected by the courts, as well as to “more fully exercise its subrogation rights and utilize the resources available to collect on revenue owed to CICB.” This bill addresses the fee increases and revenue to CICF.

State Revenues: The bill will not affect revenue from court fees to either SVCF or VWPRF. In estimating additional special fund revenue for CICF generated under the bill from increased court costs, beginning in fiscal 2013, the following assumptions are made:

- current levels of actual fee collections will not change;
- a criminal caseload level of 8,000 cases annually in the circuit courts with court costs paid remaining constant;
- a criminal caseload level of 54,500 cases annually in the District Court with court costs paid remaining constant;
- a nonimprisonment traffic caseload level of 610,000 cases annually in the District Court with court costs paid remaining constant;

- \$500,000 in annual District Court transfers would continue to be made directly to CICF; and
- miscellaneous additional revenue of about \$80,000 (including collections from restitution orders) would continue to be accrued by CICF.

Exhibit 1 shows estimated additional special fund revenue in fiscal 2013. The out-years remain the same except that federal fund revenue is reimbursed to CICF on the basis of actual awards made from the funds two years prior.

Exhibit 1
CICF Revenue Estimates
Fiscal 2013

	<u>Current Law</u>	<u>Under the Bill</u>	<u>Revenue Increase</u>
Circuit Court			
Criminal Caseload	8,000	8,000	
Court Costs Collections	\$160,000	\$280,000	\$120,000
District Court			
Criminal Caseload	54,500	54,500	
Court Costs Collections	\$1,090,000	\$1,907,500	\$817,500
Traffic Caseload	610,000	610,000	
Traffic Court Costs Collections	\$1,580,000	\$2,800,000	\$1,220,000
Other Revenue			
District Court Transfer	\$500,000	\$500,000	0
Misc. (including restitutions)	80,000	80,000	0
Total Special Fund Revenue	\$3,410,000	\$5,567,500	\$2,157,500
Federal Fund Revenue	\$2,175,000	\$2,175,000	0
Total CICF 2013 Revenue	\$5,585,000	\$7,742,500	\$2,157,500

Out-year special fund revenues, based on increases in court costs under the bill, are expected to remain relatively constant for the foreseeable future.

State Expenditures: Special fund expenditures, including operating costs for CICB, are expected to be equal to revenues from all sources in each fiscal year. In fiscal 2013, under the bill, these amounts will be as follows:

Operating Costs	\$1,021,991
Awards	6,720,509
Total	\$7,742,500
Special Funds	\$5,567,500
Federal Funds	2,175,000
Total	\$7,742,500

Altering the amount of court costs would necessitate a change to the Maryland Uniform Complaint and Citation books. New books are printed once a year, usually in October, for distribution by the Motor Vehicle Administration at the cost of approximately \$170,000. The Judiciary advises that it would be difficult to have citation books ready for law enforcement agencies by the July 1, 2012 effective date of the bill.

Because most of the crimes to which the increased court costs would apply are misdemeanors, the District Court would realize most of the operational impact. The District Court indicates that there may be an accompanying increase in the number of people requesting trials instead of prepaying fines due to the increased court costs. This may generate operational difficulties for the District Court, including difficulties relating to scheduling, notifications, and bail review.

The Judiciary also reports that the increase in fees will require revisions to the Schedule of Pre-Set Fines and/or Penalty Deposits, which are printed annually at a cost of \$20,000 and generally distributed before October 1 of each year when most other bills become effective. Because this bill takes effect July 1, the schedule will need to be printed for distribution prior to the July 1, 2012 effective date, then revised shortly thereafter. Because the Department of Legislative Services assumes that fewer schedules will be produced for the earlier distribution, it is estimated that this can be done with existing resources. These increases will also require programming changes to cash registers and various database systems in both the District and circuit courts. However, the costs associated with these programming changes, including the e-citation system and cash registers, are not anticipated to be substantial and can be made with existing budgeted resources. It is assumed that any changes in citation books for the State Police or other State or local law enforcement units can be handled with existing budgeted resources.

Additional Information

Prior Introductions: HB 135 of 2011 passed the House, but received an unfavorable report from the Senate Judicial Proceedings Committee.

Cross File: None.

Information Source(s): Governor's Office of Crime Control and Prevention, Judiciary (Administrative Office of the Courts), Department of Public Safety and Correctional Services, Department of Legislative Services

Fiscal Note History: First Reader - January 31, 2012
ncs/kdm

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Courts and Judicial Proceedings – Crime Victims and Witnesses
Funds – Court Costs

BILL NUMBER: SB 122

PREPARED BY: Department of Public Safety and Correctional Services

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL
BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.