

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6421

BILL NUMBER: HB 1168

DATE PREPARED: Nov 19, 1998

BILL AMENDED:

SUBJECT: Distribution of court fees.

FISCAL ANALYST: Susan Preble

PHONE NUMBER: 232-9867

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill makes the following changes to the distribution of criminal costs fees, infraction or ordinance violation costs fees, civil costs fees, small claims costs fees, and deferred prosecution fees: (1) It reduces from 55% to 50% the percentage of the fees that the clerk of a city or town court semiannually distributes to the Auditor of State as the state share. (2) It also increases from 25% to 30% the percentage of the fees that the city or town fiscal officer retains as the city or town share.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: Because the effective date of this bill is July 1, 1999, and court cost revenue is distributed semiannually (on June 30 and December 31), the first distribution of court cost revenue under the new percentages will be made on December 31, 1999 (in the middle of FY 2000). The state measures revenue and expenditures by fiscal years (July 1- June 30), and local units of government use the calendar year (January 1-December 31). It is estimated that passage of this bill will decrease revenue to the state General Fund by an estimated \$361,588 in FY 2000 and \$759,334 in FY 2001 by decreasing the percentage of court cost revenue collected by city and town courts that is distributed to the state General Fund from 55% to 50%.

The table in the Explanation of Local Revenues below illustrates the revenue difference that results from changing the percentages by which court cost revenue collected by city and town courts is distributed between the state, counties and cities and towns. The FY 2000 revenue loss is calculated by dividing the CY 2000 difference in revenue figure from the table in half to reflect the first six months of FY 2000 [$\$723,176/2 = \$361,588$]. The FY 2001 revenue loss is calculated by dividing the CY 2000 figure in half to reflect the first six months of FY 2001 and adding it to half of the CY 2001 figure to reflect the last six months of FY 2001 [$\$723,176/2 + \$795,493/2 = \$759,334$].

Explanation of Local Expenditures:

Explanation of Local Revenues: It is estimated that passage of this bill will increase city and town general funds by an estimated \$723,176 in CY 2000 and \$795,493 in CY 2001 by increasing the percentage of court cost revenue collected by city and town courts that is distributed to the city or town general funds from 25% to 30%.

In 1997, city and town courts collected \$10,866,653 in court costs. Of this amount, \$5,954,805 was distributed to the state General Fund, \$2,188,506 to county general funds, and \$2,723,342 to city or town general funds. (The actual distribution percentages of 1997 court cost revenue were as follows: 54.80% to the state, 20.14% to the counties and 25.06% to cities and towns.)

The most recent data on filings and court cost revenue is from CY 1997. Because court costs for infractions, ordinance violations and small claims actions increased effective July 1, 1997, any future revenue projections should take into account the impact of the court cost increases. Also effective July 1, 1997, the distribution of court costs collected through city and town courts was changed to: 55% to the state, 20% to the county, and 25% to the city or town. If future filings remain the same as in CY 1997, the court cost increases will raise revenue collected by city and town courts by an estimated 10% per year.

Because the effective date of this bill is July 1, 1999, and court cost revenue is distributed semiannually (on June 30 and December 31), the first distribution of court cost revenue under the new percentages will be made on December 31, 1999. If court cost revenue collected by city and town courts increases 10% each year, the total revenue is estimated to be \$14,463,515 in CY 2000 and \$15,909,866 in CY 2001.

As the table below illustrates, by changing the distribution percentages to: 50% for the state, and 30% for the city or town (the county percentage remains the same at 20%), the city and town revenue will increase by \$723,176 in CY 2000 and \$795,493 in CY 2001.

	Actual CY 97 Revenue & Distribution	Est. CY 2000 Revenue		Est. CY 2001 Revenue	
		current distribution	proposed distribution	current distribution	proposed distribution
State General Fund	\$5,954,805	\$7,954,933 (55%)	\$7,231,757 (50%)	\$8,750,426 (55%)	\$7,954,933 (50%)
County general fund	\$2,188,506	\$2,892,703 (20%)	\$2,892,703 (20%)	\$3,181,973 (20%)	\$3,181,973 (20%)
City/town general fund	\$2,723,342	\$3,615,879 (25%)	\$4,339,054 (30%)	\$3,977,467 (25%)	\$4,772,960 (30%)
Total	\$10,866,653	\$14,463,515		\$15,909,866	

Additional information is available upon request at the Legislative Services Agency.

State Agencies Affected:

Local Agencies Affected: City and town courts; clerks.

Information Sources: 1997 Indiana Judicial Report.