

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 1041

HOUSE BILL NUMBER 363

TITLE AN ACT relating to court costs and making an appropriation therefor.

SPONSOR Representative John Blanton

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: State Police

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED Kentucky State Police Forensic Laboratory Fund

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		Indeterminable	Indeterminable	Indeterminable
EXPENDITURES				
NET EFFECT		Indeterminable	Indeterminable	Indeterminable

() indicates a decrease/negative

PURPOSE OF MEASURE: This measure increases Circuit and District court costs and county attorney-operated traffic safety program (CATS) fees by \$10, establishes a restricted fund account within Kentucky State Police (KSP) to which proceeds from the increase will be directed before applying statutory percentages, and amends various statutes to conform.

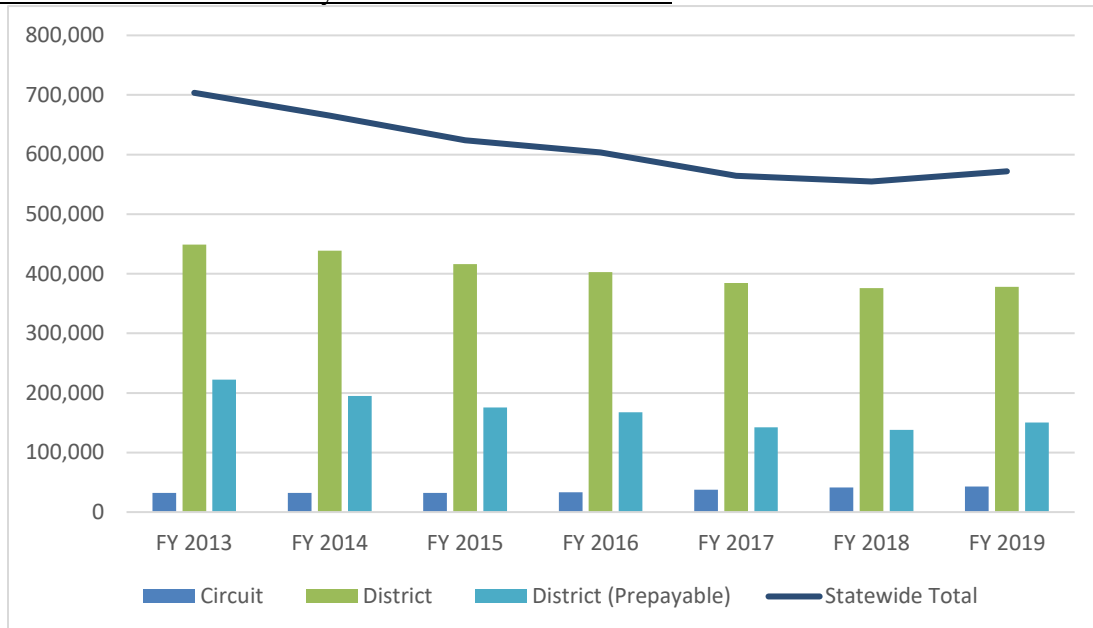
FISCAL EXPLANATION: HB 363 will increase revenues generated from court costs and the CATS program, by an unknown degree. The increased revenue generated will be directed into a newly created restricted funds account within KSP specifically for salaries and equipment for the forensic laboratory system.

Court Costs

Neither the Administrative Office of the Courts (AOC) nor the Finance Administration Cabinet (FAC) track individual payments of court costs. Circuit and District court costs are collected by AOC and are deposited and disbursed by FAC based on the various percentages within statute. The limitations of data regarding individual payments, coupled with the existing statutory allowances for payment of court costs in installments, or no court costs when the court finds an individual to be indigent, make determining the impact of the first \$10 of each court cost difficult to estimate.

Based on information provided by the FAC, court costs accounted for a total of \$19.8 million in revenue in fiscal year (FY) 2019. A 10% increase in court costs (from \$100 to \$110) would equate to approximately \$2 million annually; however, HB 363 only considers the first \$10 of each court cost, not a percentage. Utilizing a percentage of total revenue collected in one FY will skew calculations for various reasons including, but not limited to, when money is being collected over a period of time as well as the timing of deposits. For perspective on the impact of HB 363, Chart 1, below, shows the cases filed across Circuit and District courts (felony, felony appeals, misdemeanor, and traffic cases) since FY 2013 and a trend line showing the total cases filed across all court jurisdictions that could potentially qualify for court costs.

Chart 1: Statewide Cases Filed By Jurisdiction and Fiscal Year



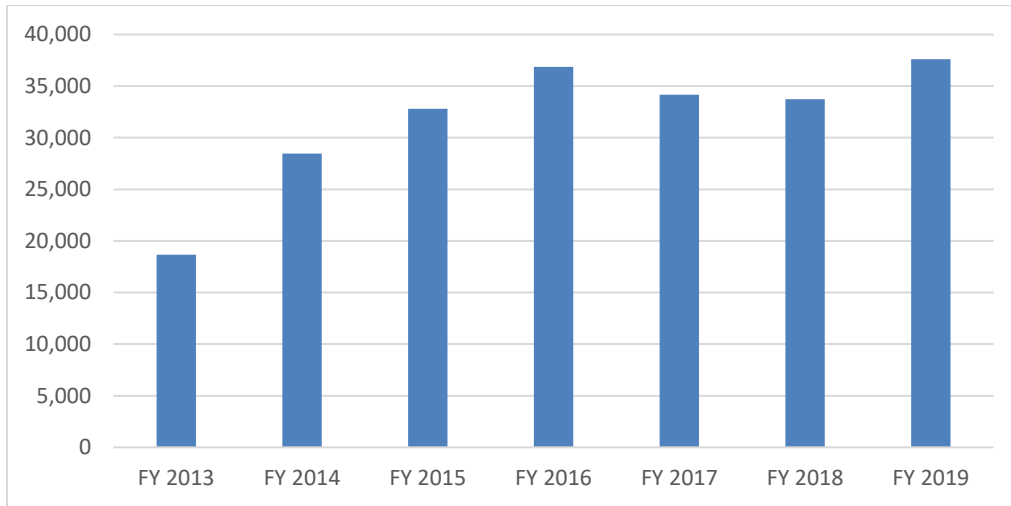
Important caveats to remember include cases filed in one year may not be disposed of in the same FY, cases filed do not reflect cases that are subsequently dismissed, court costs are not always levied in every case, and it is unknown how AOC will implement HB 363 as they have communicated that they do not currently have the capability of tracking individual payments.

CATS Program Fees

Revenue generated for FY 2019 for the CATS program varied between FAC and the reports provided by the Prosecutor’s Advisory Council (PAC). One reason for the discrepancy being the time that revenue is collected versus when it is recognized and distributed by FAC. Utilizing information provided by PAC’s annual report of CATS programs, in FY 2019 there were 97 counties that reported participants in CATS programs. The CATS program does track participants, so the ability to calculate increased fees per individual is feasible.

Similar to court costs, CATS programs fees are paid in lieu of court costs and the fees are distributed by percentage based on statute. Based on data from the CATS Programs annual report from FY 2019, a \$10 fee increase would have generated an additional \$376,000 in revenues based on 37,603 CATS program completions. Chart 2, below shows the CATS program participation (enrollment in FYs 2013-2014 and completions for FYs 2015-2019) over time.

Chart 2: Statewide CATS Enrollment/Completions By Fiscal Year



In conclusion, the impact of HB 363 remains indeterminable; however, there will be an increase in revenue from increased court costs and CATS program fees. Existing disbursements for court costs and CATS program fees, based on statute, should remain unchanged if HB 363 can be implemented properly. Any additional funding provided to KSP from revenues generated by HB 363 is anticipated to be completely consumed by their laboratory system. Based on testimony and as can be evidenced by the initiatives within recent Executive Branch budget bills, the State Police laboratory system requirements have grown exponentially over the years due to compounding issues relating to aging equipment, existing processing backlogs, equipment maintenance needs, and the inability for the laboratory system to retain adequate staffing levels required for the amount of cases it processes.

DATA SOURCE(S): Administrative Office of the Courts, Finance Administration Cabinet, Prosecutors Advisory Council, and LRC Staff

PREPARER: Savannah Wiley NOTE NUMBER: 114 REVIEW: JAB DATE: 3/11/2020