

**REVENUE IMPACT OF  
PROPOSED LEGISLATION**  
81st Oregon Legislative Assembly  
2022 Regular Session  
Legislative Revenue Office

**Bill Number:** HB 4075 - 1  
**Revenue Area:** Court Fines and Fees  
**Economist:** Mazen Malik  
**Date:** 02-10-2022

*Only Impacts on Original or Engrossed  
Versions are Considered Official*

**Measure Description:**

Modifies procedures for requesting and ordering restitution in criminal cases.

**Revenue Impact:**

Fines/Fees Accounts	2021-2023 (6 Months)	2023-2025 Biennium	2025-2027 Biennium
Application Contribution Program Account (ACP)	(\$22,318)	(\$94,633)	(\$123,654)
General Fund (GF)	(\$38,468)	(\$277,149)	(\$362,142)
Criminal Fine Account (CFA)	(\$80,277)	(\$653,096)	(\$853,379)
<b>Total</b>	<b>(\$141,063)</b>	<b>(\$1,024,879)</b>	<b>(\$1,339,175)</b>

**Impact Explanation:**

Projected revenue loss is based on restitution judgments from the previous two years. Revenue loss increases over time as more restitution judgments are imposed and those judgments go through the process and start receiving payments. However, as restitution is prioritized over fines and fees, payments to fines and fees will be delayed unless judgments are partially paid, which causes fines and fees to go unpaid for longer times. Restitution judgments have low collection rates (32% cumulative collection rates over 20+ years). Revenue loss is estimated as percentages of the maximum possible reduction (estimated by OJD) of all restitution judgments with fines and fees. Amounts imposed on or after the effective date are partially paid or delayed into future years. The assumption for the impact is that 2023 to reach 65% of that maximum, with 2023-25 reaching 75%, and the portion of the maximum loss growing to 98% by 2025-27. This measure assumes an implementation date of January 1, 2023, and the actual revenue impact will depend on the amount of restitution imposed which can vary widely from year to year depending on payment trends and the amount of fines and fees imposed (if any) on restitution judgments.

Section 3 of HB 4075 with the -1 amendment states that upon collection, 50 percent of restitution ordered to insurance carriers shall be distributed to the Criminal Injuries Compensation Account.

Sections 4, 5, 6 and 7 provide that restitution is a Level I obligation for criminal judgments entered in circuit and local courts. Those sections provide that there are two types of Level I obligations: Type 1 obligations include compensatory fines and Type 2 obligations include restitution as defined in ORS 137.103, awards of restitution under ORS 419C.450, and money awards made under ORS 811.706. If a judgment contains both Type 1 and Type 2 obligations, Type 1 obligations should be credited first until they are paid in full. Subsequent amounts will be applied to Type 2 obligations until they are paid in full. Sections 6 and 7 also provide the order in which payments on Type 2 money should be applied and credited to various persons who are named in the money award. Sections 8 and 9 remove restitution as a Level II obligation.

This measure with the -1-amendment revenue impact is mainly caused by changing the priority of restitution over fines and fees. However, the future revenue impact will depend on the amount of restitution imposed which can vary from year to year, payment trends, and the amounts of fines and fees imposed (if any) on restitution judgments.

**Creates, Extends, or Expands Tax Expenditure: Yes  No**