## OREGON JUDICIAL DEPARTMENT State Court Generated Revenue

Nancy Cozine, State Court Administrator Jessica Roeser, Asst. Deputy SCA for Operations

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Judicial Branch

## **Presentation Overview**



- General Principles
- Types of Fines and Fees Courts Impose and Collect
- Revenue Distribution
- Revenue Trends
- How OJD Collects and Collection Rates

# General Principles



Most court revenue goes to the General Fund.

Legislature restructured fines and fees in 2011



Courts primarily funded by General Fund to maintain impartiality



Ability to pay is considered where statutorily authorized



Fees are waived for litigants who are financially eligible



Fees and costs are continually evaluated and adjusted



## COSCA Policy Paper Courts Are Not Revenue Centers

# Revenue Distribution Quick Reference



## Recent Collections and Revenue Trends

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### Contributing Factors to Revenue Trends

- Violations delayed during COVID were processed in 2022, 70-80% are paid in full within a year.
- Courts are imposing fewer financial obligations due to lack of ability to pay.
- More money is going to victims - HB 4075 (2022) gave restitution priority over fines and fees.



# Changes to Revenue Distribution

- General Fund revenues declining due fewer financial obligations being imposed due to lack of ability to pay.
- Greater share of revenue distributed to victims and less to criminal fines and fees going to the CFA.
- HB 4075 (2022) gave restitution priority over fines and fees.
   Restitution often takes years to collect which will delay fine collections.

#### OJD Revenue Distribution Changes



# How Courts & Third-Parties Collect

Third-Parties are the Department of Revenue and Private Collection Firms

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- OJD provides people a full year to pay in full or set up a payment plan with the court.
- Payment plans are assessed a \$25 fee to cover administrative costs.
- OJD is required to send cases to third-party collections after a year of non-payment (ORS 1.197).
- Judgments for restitution are collectible for 50 years.
- Judgments for criminal fines and fees are collectible for 20 years.

### Courts

#### Collect 70% of Total Revenue

- Cashiering & ePay
- Voluntary Payment Plans
- Local Court Programs

## **Third-Parties**

### Collect 30% of Total Revenue

- Tax Refund Intercept
- Payment Plans
- Wage Garnishment

# **Civil Filing Fees**

meeting people where they're at

- Statutory fees for receiving court services @
  https://www.courts.oregon.gov/pages/fees.aspx
- Paid in advance -- law requires payment at time of filing
- Waiver and deferrals available for low-income individuals
- Amounts collected are distributed to the General Fund

### Filing Fee Waiver and Deferral Rates





# **Collection Rates**

The more serious the matter, the harder it is to collect.



The lifecycle of some money judgments can span 50 years on restitution judgments and 20 years on criminal judgments for fines and fees.

OJD tracks revenue and collections since the first fines and fees were imposed in the statewide court system in 1988.

## Violation Collection Rate

- This is a key performance measure for OJD that focuses solely on violations to evaluate the timeliness and effectiveness of collection actions.
- Debt is Referred to collections after 365 days with no payments.
- Approximately 20% of people cited with a violation failed to appear or pay by the date on their citation.



# Diminishing Returns After First 5 Years

- Most payments are made within the first year of judgment.
- OJD offers payment options and interventions in the first 5 years when payment is most likely.
- If payment is not made within the first 5 years, the likelihood that payment will be made is less than 1%.
- Older cases continue to cycle through Department of Revenue and Private Collection Firms until they are paid, or the judgments expire.



### Payments by Age of Debt

# Outstanding Debt

SB 817 (2021) removed \$8.4M in fines and fees on juvenile delinquency fines.

Governor's clemency order in 2022 removed \$14.3M in unpaid fines and fees and qualifying marijuana cases.

Governor's remittance orders in 2022 and 2023 removed \$7.7M in unpaid traffic fines and fees.

Ability to pay evaluations result in lower fine amounts.



# Thank You

NANCY COZINE State Court Administrator (SCA) <u>nancy.cozine@ojd.state.or.us</u>

JESSICA ROESER Asst. Deputy SCA jessica.c.roeser@ojd.state.or.us

## **OJD Government Relations Team**

Aaron Knott, Director aaron.knott@ojd.state.or.us

Kimberly McCullough, Senior Counsel kimberly.mccullough@ojd.state.or.us

Channa Newell, Senior Counsel channa.newell@ojd.state.or.us

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