

**TESTIMONY ON SENATE BILL 665  
BEFORE THE SENATE COMMITTEE ON JUDICIARY  
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Chair Prozanski, Vice-Chair Thatcher, and Members of the Committee:

On behalf of the Oregon Judicial Department (OJD), I appreciate the opportunity to provide information on the potential effects of Senate Bill 665. OJD is not taking a position on this bill, but it is important to note that our courts handle millions of dollars in fines that might be subject to the provisions of SB 665. Should this bill advance, OJD requests clarification on the legislative intent on how the bill would interact with current statutes that direct court revenue to other state accounts and funds, local governments, and crime victims.

As introduced, SB 665 directs a public body receiving moneys that “derive from the levy of a fine or civil penalty” to transfer that money to the State Treasurer for deposit in the General Fund. The definition of “public body” within the bill is broad and could include any fine imposed or collected by the courts. The meaning of the phrase “derive from the levy of a fine” is not clear because the statutes that currently govern monetary obligations imposed and collected by courts do not use the term “levy;” however, the bill could be interpreted to include all fines imposed and collected by the courts.

OJD currently collects fines that are distributed to the General Fund, the Criminal Fine Account (CFA), local cities and counties, and victims.

It is unclear if SB 665 would redirect all fines that OJD currently transfers to the CFA, which is established in the General Fund, to the General Fund at large. During the 2023-2025 biennium (through December 2024), OJD transferred approximately \$50 million to the state CFA. As required by statute, OJD transfers proceeds from fines imposed in criminal cases and a portion of proceeds from fines imposed in violation cases to the CFA. In addition to revenue from fines, OJD also transfers DUII diversion and conviction fees and court-appointed attorney fees to the CFA. Further analysis would be needed to determine the precise amount of these funds that would be subject to SB 665.

ORS 137.300 specifies that money in the CFA is distributed to:

- Public safety standards, training, and facilities;
- Criminal injury compensation and assistance to crime victims and children reasonably suspected of being victims of crime;

- Forensic services provided by the Oregon State Police;
- Maintenance and operation of the Law Enforcement Data System (LEDS);
- Oregon Health Authority for grants for alcohol and drug prevention programs;
- Oregon State Police for DUII enforcement;
- The State Court Technology Fund; and
- The State Court Facilities and Security Account.

It is not clear what effect SB 665 would have on the existing statutory distribution of these funds.

Additionally, OJD collects fine revenue that is returned to local jurisdictions. This fine revenue includes a portion of money collected from violation fines, truancy fines, and fines from enforcement of local ordinances. In the 2023-2025 biennium (through December 2024), OJD distributed approximately \$17 million to cities and counties through this process. SB 665 might instead require any fine revenue received from enforcement of local ordinances to be sent to the General Fund. Further analysis would be needed to determine the exact dollar amounts that are derived from enforcement of local ordinances.

OJD also collects a surcharge on fines collected through local parking and traffic ordinances that is used for local courthouse construction costs and bonds. The extent of the impact of this measure on local courthouse construction costs collected through a surcharge is unclear. ORS 1.188 specifies that counties receiving proceeds from Article XI-Q bonds for courthouse construction may impose a \$5 surcharge on all parking ordinance or traffic offenses and apply that surcharge to the capital costs of construction or payment of debt on bonds. It is not clear whether this surcharge would be considered a fine subject to SB 665 and to what extent that would impact a county's ability to repay courthouse construction bonds.

Finally, compensatory fines are imposed in criminal cases and are awarded and paid to the victims of the criminal offense. This bill would potentially direct compensatory fines to the General Fund instead of directly to victims. Further analysis would be needed to determine the exact dollar amounts that are derived from compensatory fines.

Overall, SB 665 could have a significant impact on revenue currently distributed by courts to state funds and accounts, local governments, and victims of crimes. It also could change the way the legislature funds a variety of public safety-related services. I would be happy to provide more information if needed.