

# Judicial Impact Fiscal Note

<b>Bill Number:</b> 1024 HB	<b>Title:</b> Controlled substance/penalty	<b>Agency:</b> 055-Admin Office of the Courts
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

Account	FY 2016	FY 2017	2015-17	2017-19	2019-21
Counties					
Cities					
<b>Total \$</b>					

### Estimated Expenditures from:

COUNTY	FY 2016	FY 2017	2015-17	2017-19	2019-21
County FTE Staff Years					
Account					
Local - Counties	(1,300,000)	(1,300,000)	(2,600,000)	(2,600,000)	
Counties Subtotal \$	(1,300,000)	(1,300,000)	(2,600,000)	(2,600,000)	
CITY	FY 2016	FY 2017	2015-17	2017-19	2019-21
City FTE Staff Years					
Account					
Local - Cities	1,300,000	1,300,000	2,600,000	2,600,000	
Cities Subtotal \$	1,300,000	1,300,000	2,600,000	2,600,000	
Local Subtotal \$					
Total Estimated Expenditures \$					

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

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OFM Review:	Phone:	Date:

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would reduce penalties for possession of controlled substances.

Section 1 would modify the seriousness table found in RCW 9.94A.518 to remove Possession of a Controlled Substance that is a Narcotic from Schedule III, IV, or V or Nonnarcotic from Schedule I-V (RCW 69.50.4013) and Possession of Controlled Substance that is either heroin or narcotics from Schedule I or II (RCW 69.50.4013) from seriousness level I in the table.

Section 2 would amend RCW 69.50.4013 (2) to remove a reference to 69.50.4014 and reduce the charge of possession from a class C felony to a misdemeanor.

The bill would remove possession of all controlled substances from a class C felony with Seriousness level I to a misdemeanor . This change would include penalty reductions in terms of incarceration and fines. The change from felony to misdemeanor will also lead to a change in jurisdiction for the crime from superior courts (counties) to courts of limited jurisdiction (county district courts and municipal courts).

II. B - Cash Receipts Impact

There is the potential for large reductions in cash receipts in the form of reduced fine penalties. The reduction in revenue is not known as many times actual collections are significantly lower than amounts fined by the court. It is assumed that amounts fined will be lower as the maximum fine amounts for misdemeanor charges is \$1,000 vs. the current \$5,000 for possession of a controlled substance.

There was an average 9,000 felony cases per year. 8,523 felony cases in 2012 and 9,117 cases in 2013 were heard in superior courts in Washington under RCW 69.50.4013. (Judicial Information System Data) However, not all cases resulted in guilty charges and fines.

An examination of 2012 fine data related to RCW 69.50.4013 shows \$18,537,000 in fines ordered and just over \$1,000,000 collected which is a 5.78 percent collection rate.

Over 6,000 fines each year were for more than \$1,000. These fines included:

- 750 between \$4,000 and \$5,000;
- 1,200 between \$3,000 and \$4,000;
- 1,500 between \$2,000 and \$3,000;
- 2,700 between \$1,000 and \$2,000.

Using mid-range fine estimates the potential total fines ordered would be a little over \$15,000,000.

750	\$4,500	\$3,375,000
1,200	\$3,500	\$4,200,000
1,500	\$2,500	\$3,750,000
2,700	\$1,500	\$4,050,000
		\$15,375,000

Data for 2013 shows similar amounts with a 2.2 percent collection rate. The collection rate rises as more time passes.

II. C - Expenditures

There would be a transfer of jurisdiction from counties to cities resulting from the bill because felony charges are heard in superior courts while misdemeanor charges are heard in courts of limited jurisdiction (city and county courts). There would be an estimated transfer of \$1.3 million in judicial costs from county to city courts.

The bill would remove possession of all controlled substances from a class C felony with Seriousness level I to a misdemeanor . This change would include penalty reductions in terms of incarceration and fines. The change from felony to misdemeanor will also lead to a change in jurisdiction for the crime from superior courts (counties) to courts of limited jurisdiction (county district courts and municipal courts).

The primary expenditure impacts to the courts will be in changing the jurisdiction of the court hearing the case and the organization

prosecuting and defending from the superior court in each county to either the district court (county) or municipal court where the violation occurred. The court cost transfer is estimated at \$1.3 million per year for judicial time and support staff. For information on the change in incarceration, prosecuting and defense costs, see the local government fiscal note.

The penalty for a class C felony is five years in prison and/or a \$5,000 fine, the penalty for a misdemeanor is 90 days in jail and/or a fine of \$1,000. Changing the severity of penalties can change the trial rate for felony crimes. Trial rate information provided by the Caseload Forecast Council indicates a likely two percent reduction in trials.

It is assumed that trial time will be similar regardless of venue (county or city).

It is expected that approximately 9,000 cases per year would be changed from felony charges heard in superior court to misdemeanor charges heard in courts of limited jurisdiction. There would be little difference in overall judicial time spent hearing the cases but a major change in where they would be heard. Municipal courts could expect to hear up to 51 percent of the cases. (2012 caseload data) This represents an approximate \$1.3 million dollar transfer of court costs from county courts to municipal courts for judicial time, support staff, and salary and benefits.

Note: The change in potential expenditure resulting from the bill would be related to possession of scheduled substances other than marijuana because Initiative Measure 502 (chapter 3 laws of 2013) removed penalties for possession of marijuana. Felony data contained in the Judicial Information System does not differentiate based on the type of substance; most prior marijuana possession cases were for 40 grams or less and therefore misdemeanors.

## Part III: Expenditure Detail

### III. A - Expenditure By Object or Purpose (State)

<i>State</i>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Professional Service Contracts					
Goods and Other Services					
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
<b>Total \$</b>					

### III. B - Expenditure By Object or Purpose (County)

<i>County</i>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
<b>Total \$</b>					

**III. C - Expenditure By Object or Purpose (City)**

<i>City</i>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

**Part IV: Capital Budget Impact**