

JUDICIAL IMPACT FISCAL NOTE

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|--------------------------------|---|---|
| Bill Number: 6153 SB | Title: Driver License Suspensions and Revocations | Agency: 055 – Administrative Office of the Courts (AOC) |
|--------------------------------|---|---|

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

| | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|---------------|---------|---------|---------|---------|---------|
| | | | | | |
| | | | | | |
| Total: | | | | | |

Estimated Expenditures from:

| STATE | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|--------------------------------------|---------|----------------|----------------|----------------|----------------|
| FTE – Staff Years | | 3.0 | 1.5 | 2.0 | 1.5 |
| Account | | | | | |
| General Fund – State (001-1) | | 364,293 | 364,293 | 226,652 | 453,303 |
| State Subtotal | | 364,293 | 364,293 | 226,652 | 453,303 |
| COUNTY | | | | | |
| County FTE Staff Years | | | | | |
| Account | | | | | |
| Local - Counties | | | | | |
| Counties Subtotal | | | | | |
| CITY | | | | | |
| City FTE Staff Years | | | | | |
| Account | | | | | |
| Local – Cities | | | | | |
| Cities Subtotal | | | | | |
| Local Subtotal | | | | | |
| Total Estimated Expenditures: | | 364,293 | 364,293 | 226,652 | 453,303 |

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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|---------------------------------|---------------------|-----------------|
| Legislative Contact: | Phone: | Date: |
| Agency Preparation: Sam Knutson | Phone: 360-704-5528 | Date: 1/21/2020 |
| Agency Approval: Ramsey Radwan | Phone: 360-357-2406 | Date: |
| OFM Review: | Phone: | Date: |

Part II: Narrative Explanation

This bill would create a program for the consolidation of traffic-based financial obligations from multiple courts of limited jurisdiction (CLJs) into a consolidated payment plan.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 18(1) - Would create a program for the consolidation of traffic-based financial obligations from multiple courts of limited jurisdiction (CLJs) into a consolidated payment plan.

Section 18(1)(a) - Would provide that the program would be managed by the Administrative Office of the Courts (AOC), which has the authority equivalent to CLJs as provided in RCW 3.02.045 to use one or more attorneys or collection agencies for the collection of outstanding traffic-based financial obligations, use credit/debit cards for purposes of billing and collections, and assess as court costs the money paid for remuneration for services or charges paid to collecting attorneys, collection agencies, or financial institutions. The AOC shall contract with a private agency or entity to act as program administrator to implement, administer, and service the consolidated payment plan.

Section 18(1)(b) - Would provide that the AOC develop an application form to be used by applicants for the program created in this bill, and shall consider input from the Washington District and Municipal Court Judges Association and a statewide association representing collection agencies in the development of the application.

Section 18(1)(c) - Would provide that the AOC may assess participants of the program created by this section an administrative fee up to the amount allowed under RCW 46.20.341(2)(e). The fee would be used by the AOC to support management and administration of the program. Five percent of the establishment fee would be deposited into the State General Fund to support public education about the program and what is required for a person to have that person's driving privileges restored.

Section 18(1)(d) - Would provide that the AOC may adopt policies that are necessary or convenient for purposes of administering the program. The AOC is encouraged to solicit public comment and consult with stakeholders, including the DMCJA, civil legal aid organizations, and an organization representing collection agencies.

Section 18(2) and Section 18(3) - Would establish a person's qualifications for entry to the program and establish rules for ineligibility for the program.

Section 18(4) - Would provide that any person qualifying for the program may enter the program by completing the application designed by the AOC and entering into a payment plan with the program administrator, and making the first payment as required under the payment plan.

Section 18(5) - Would provide that upon a person entering the program, the program administrator shall promptly notify the relevant courts to which the person owes traffic-based financial obligations to inform the courts of the participant's entry in the program. Upon receiving notice that a person has entered the program, the court shall promptly notify the AOC that the infraction or case for which the person owes traffic-based financial obligations has been adjudicated.

Section 18(6) - Would provide that the program administrator shall retain as revenue sixty percent of the unpaid collection fees assessed, minus any court or legal costs paid by the local collecting attorney or collection agency.

Section 18(7) - Would provide that while participating in the program, a participant must make regular monthly payments pursuant to the payment plan.

Section 18(7)(a) - Would provide that the AOC shall establish policies governing payment plans.

Section 18(7)(b) - Would provide that through December 31, 2025, the standard payment plan shall be as follows: (i) for balances of \$500 or less, a monthly payment plan of \$25; (ii) for balances of \$1,000 or less but more than \$500, a monthly payment of \$35; (iii) for balance of more than \$1,000, a monthly payment of \$50; and (iv) a monthly payment of \$25 regardless of the outstanding balance for participants at or below 125% of the current federally established poverty level, or for participants receiving one or more types of listed public assistance. Subsequent to December 31, 2025, the AOC may adopt new standard payment plan terms.

Section 18(8) - Would provide that while a person is participating in the program, unpaid accrued interest on the person's traffic-based financial obligations shall be provisionally suspended. If a person completes the program by making all required payments, all provisionally suspended unpaid accrued interest shall be waived. If a person is removed from the program, all provisionally suspended accrued interest shall be reinstated. Courts retain the ability to independently waive, reduce, or suspend a portion or all of a fine/penalty.

Section 18(9) - Would provide that if a participant is removed from the program, the program administrator shall promptly notify the relevant courts to which the participant still owes traffic-based financial obligations. Upon receiving this notice, the court shall promptly notify the Department of Licensing (DOL) of the failure of the person to meet the conditions of the payment plan, and DOL shall suspend the person's driving privileges.

Section 18(11) - Would provide that payments made to the program shall first be applied to the administrative fee, with the remainder divided equally among the CLJs that originally ordered the traffic-based financial obligations consolidated under the program.

Section 20 - Would provide that whenever a CLJ imposes a monetary penalty, fee, cost, assessment or other monetary obligation for conviction of a violation of RCW 46.64 that is a misdemeanor or gross misdemeanor, a person (if eligible) may consolidate the obligations under the program established by this bill.

Section 23 – Would establish an effective date of January 1, 2021.

II.B - Cash Receipt Impact

Indeterminate. It is unknown how many persons would be eligible, apply, and/or participate in the consolidated payment program. In addition, there will be negative state and local revenue impacts caused by the waiver of accrued interest for those individuals that successfully complete the program.

II.C – Expenditures

The Administrative Office of the Courts (AOC) would be given the authority to establish a consolidated payment plan system for the consolidation of multiple traffic-based financial obligations.

The bill would direct the AOC to use collection agencies or private accounts receivable companies for the purposes of administering the consolidated payment plan system. It is

assumed that CLJ's statewide would be required to participate in the consolidated payment plan system.

Unpaid accrued interest on a person's traffic-based financial obligations would be provisionally suspended and would be waived if the person successfully completes the program. Likewise, if a person is removed from the program unpaid accrued interest would be reinstated. The AOC assumes that this unpaid interest process would be included as part of the contract with a collection agency.

The AOC assumes that program oversight would require additional FTEs. The following is a summary of potential FTE-related costs:

Program Management, Maintenance, and Administration

1.0 FTE Program Management to oversee the program, provide interaction with courts and other state agencies (such as the Department of Licensing), and provide on-going maintenance and support following implementation (i.e., FY21 1.0 FTE, 0.5 FTE ensuing years).

Contracts Management

0.5 FTE in FY21 to provide oversight of contracting and procurement; assuming the AOC would implement the unified payment program by issuing a Request for Proposal (RFP) as needed for collections, accounts receivable, or other services.

Financial Services Support

1.0 FTE to provide financial services support, such as development of financial business processes, reconciliations, revenue analysis, and audit functions.

Public Information and Education

0.5 FTE (FY21 and FY22) Public Information and Education to provide promotion of the program and dissemination of information to the courts and the public regarding participation, policies, and procedures.

Additional travel and related costs (room rentals, etc.) are included for public meetings, and ongoing staff coordination and support with CLJ's statewide.

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

| Object of Expenditure | FY 2020 | FY 2021 | 2019-2021 | 2021-2023 | 2023-2025 |
|------------------------------------|----------|----------------|----------------|----------------|----------------|
| FTE - Staff Years | | 3.0 | 1.5 | 2.0 | 1.5 |
| A - Salaries & Wages | | 206,427 | 206,427 | 130,881 | 261,761 |
| B - Employee Benefits | | 77,595 | 77,595 | 50,359 | 100,717 |
| C - Professional Service Contracts | | - | - | - | - |
| E - Goods & Services | | 18,550 | 18,550 | 13,913 | 27,825 |
| G - Travel | | 30,000 | 30,000 | 30,000 | 60,000 |
| J - Capital Outlays | | 31,722 | 31,722 | 1,500 | 3,000 |
| P- Debt Service | | - | - | - | - |
| Total | - | 364,293 | 364,293 | 226,652 | 453,303 |

III.B – Detail:

| Job Classification | Salary | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|-------------------------|--------|---------|---------|---------|---------|---------|
| Contracts Manager | 72,744 | | 0.5 | 0.3 | | |
| Public Info & Education | 73,656 | | 0.5 | 0.3 | 0.5 | |
| Program Maintenance | 78,348 | | 1.0 | 0.5 | 0.5 | 0.5 |

| | | | | | | |
|-------------------------------|--------|--|------------|------------|------------|------------|
| Financial Services Specialist | 54,924 | | 1.0 | 0.5 | 1.0 | 1.0 |
| Total FTE's | | | 3.0 | 1.6 | 2.0 | 1.5 |

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.