

BILL SUMMARY
1st Session of the 59th Legislature

Bill No.:	HB1777
Version:	PCS1
Request Number:	7425
Author:	Rep. Williams
Date:	3/02/2023
Impact:	See analysis below

Research Analysis

The PCS1 to HB 1777 creates the Fines Assessed and Imposed Reasonably (FAIR) Act. The measure modifies the structure of fees collected by the courts for various offenses.

Prepared By: Brad Wolgamott

Fiscal Analysis

This measure relates to fees and fines, enacting the Fines Assessed and Imposed Reasonably (FAIR) Act. The following analyses have been provided by officials from the agencies impacted:

Office of the Attorney General (AG): The fee in Section 6 (F) on page 25 results in approximately \$300,000 annually to the Attorney General's office. These funds are passed directly through to Victim Services programs and are not used by the AG for general operations. Removal of this fee by HB1777 is not necessarily a reduction to the AG's Office budget, but an *approximate \$300,000 per year reduction to the specific programs.*

Department of Corrections (DOC): The DOC would no longer collect the following fees with the passage of this measure:

	Community Sentencing Fees	Pre-Sentencing Fees	Probation & Parole Fees	Total
FY22	\$29,645.00	\$14,017.39	\$2,503,737.11	\$2,547,399.50
FY21	\$31,138.00	\$19,987.25	\$3,141,397.91	\$3,192,523.16
FY20	\$42,834.00	\$14,572.24	\$2,971,580.50	\$3,028,986.74
3 year Average	\$34,539.00	\$16,192.29	\$2,872,238.51	\$2,922,969.80

The fiscal impact would be *a reduction of approximately \$2,922,969.80 in fees collected per year.*

Oklahoma State Bureau of Investigation (OSBI): The repeal of 20 O.S. 1313.3 & 1313.4 would remove funding as outlined:

OSBI A.F.I.S. Fees: \$4,136,242.89 (5 year average)
OSBI F.S.I.A Fees: \$4,371,576.33 (5 year average)

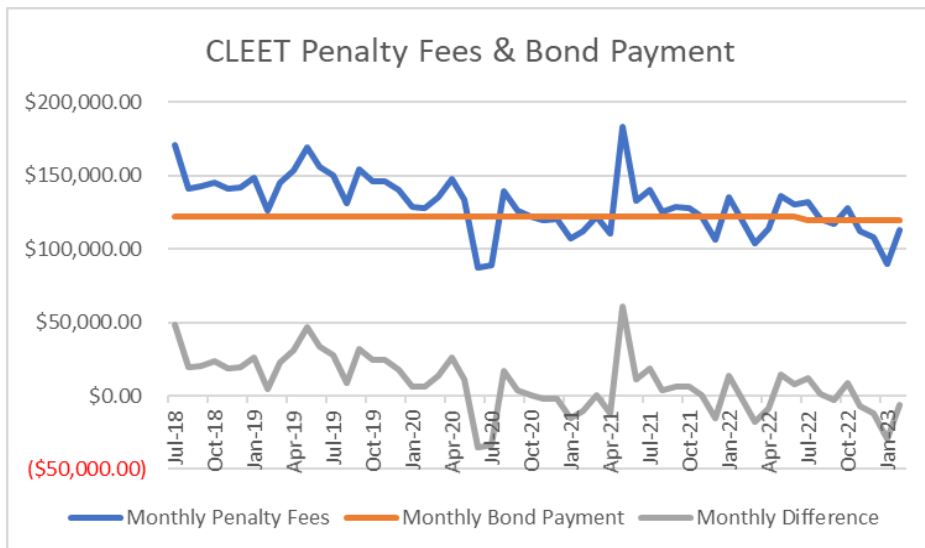
Passage of this measure would result in the *removal of approximately \$8,507,819.22 in funding per year for OSBI.*

Oklahoma Bureau of Narcotics (OBN): The five-year average generated by the fee provided for in 20 O.S. 1313.2(F) is currently \$44,098. HB1777 strikes the language that generates this fee, thereby *decreasing the revenues deposited into the Bureau of Narcotics Drug Education Revolving Fund by an estimated \$44,098 per year.*

Oklahoma Department of Wildlife Conservation (ODWC): Based on the reinstatement fees removed by HB1777, the fiscal impact to ODWC would be *a decrease of approximately \$2,500 per year to the Wildlife General Fund.*

Council on Law Enforcement Education Training (CLEET): Funds from the penalty fee that would be discontinued by HB1777 are used in paying the bond payment on CLEET's Ada Training Facility. If sufficient funding from other sources is provided to offset the loss of the revenue generated by the current penalty fee, then CLEET should not be negatively affected. Because the monthly fee revenue has fallen short of the monthly obligation in so many months over the last few years, the total amount of money in the training center revolving fund for bond payments continues to be depleted and we project that CLEET will likely have to have additional revenue sources in the future, perhaps as early as FY24, to continue to make its monthly bond payment whether the fee is discontinued or not. The following data was provided by officials from CLEET:

	FY19	FY 20	FY21	FY22	FY23 (as of 02/01/23)
Average Monthly Penalty Fees	\$148,507.47	\$135,631.94	\$123,581.53	\$124,159.46	\$115,020.54
Average Monthly Bond Payment	\$122,311.46	\$121,961.46	\$122,078.13	\$121,848.96	\$119,471.85
Annual Penalty Fees	\$1,782,089.63	\$1,627,583.22	\$1,482,978.35	\$1,489,913.50	\$920,164.29 (to date)
Annual Bond Payments	\$1,467,737.52	\$1,463,537.52	\$1,464,937.56	\$1,462,187.52	\$955,774.80 (to date)
Annual Penalty Fees Less Annual Bond Payments	\$314,352.11	\$164,045.70	\$18,040.79	\$27,725.98	(\$35,610.51) (to date)



Using the years for which annualized penalty fee data is available (FY19-FY22), the 4 year average annual penalty fee collection is \$1,595,641.18. HB1777 would remove these penalty fees, resulting in a *decrease of approximately \$1,595,641.18 of annual collections for CLEET.*

District Attorneys Council (DAC): Based on the actual collections for each fund and the estimates and projections for FY23 and FY24, the following fees would no longer pass through the DAC into the General Revenue Fund:

	FY22 Actual	FY23 Estimate	FY24 Projection	3 year average
Supervision Fee	\$ 5,153,584.20	\$ 4,669,153.18	\$ 4,230,258.13	\$ 4,684,331.84
991 Fee	\$ 5,698,524.21	\$ 5,141,474.92	\$ 4,638,877.20	\$ 5,159,625.44
Total	\$ 10,852,108.41	\$ 9,810,628.10	\$ 8,869,135.33	\$ 9,843,957.28

Using a 3 year average based on this analysis, *approximately \$9,843,957.28 less deposits would be made into the General Revenue Fund each year.*

Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS): Officials with the ODMHSAS estimate that passage of this measure would *cost ODMHSAS an average of \$532,207 per year in Drug Abuse Education and Treatment Fees* based on the following data:

Drug Abuse Education and Treatment Fee	
	Fees Collected
FY18	\$573,153.94
FY19	\$529,212.81
FY20	\$560,064.77
FY21	\$567,236.73
FY22	\$431,364.28
5 year average	\$532,206.51

Oklahoma State Department of Health (OSDH): The following data was provided by officials from OSDH detailing fee revenues that would no longer be collected:

OSDH	Fund	Fees Collected
FY18	236PEX8	\$7,974,091.41
FY19	236PEX9	\$7,709,835.86
FY20	236PEX0	\$7,056,749.24
FY21	236PEX1	\$7,653,347.21
FY22	236PEX2	\$10,535,738.46
5 year average		\$8,185,952.44

Based on the above 5 year average, an *estimated \$8,185,952.44 in fees will no longer be collected and deposited into the Trauma Care Assistance Revolving Fund each year.*

Administrative Office of the Courts (AOC): The District Courts (DC) are included in the final impact calculation as they collect a 15% administrative fee on all of the above fees, except DAC Supervision/991 Fees, before remitting the final amount to each agency. The courts provided the following analysis based on the fees impacted by this measure:

Agency	Fee/Fund Description	5 year average collected by District Courts (FY18-FY22)
DOC	Community Sentencing Fees	\$13,512.00
DOC	Pre Sentencing Fees	\$6,262.00
DOC	Probation & Parole Fees	\$11,179.00
OSBI	AFIS Fees	\$825,469.00
OSBI	FSIA	\$1,078,015.00
OBN	Bureau of Narcotics Drug Education Rev Fund Deposits	\$20,652.00
ODWC	Wildlife General Fund	\$609.00
CLEET	Training Center Penalty Fees	\$1,314,142.00
ODMHSAS	Drug Abuse Education and Treatment Fund Fees	\$42,551.00
OSDH	Trauma Care Assistance Revolving Fund	\$2,888,856.00
Total Fees Collected by Agencies		\$6,201,247.00
Gross Fees (Accounting for 10% kept by Local Court Clerks, 15% by District Courts)		\$8,268,329.33

With the passage of this measure, the above fees would no longer be collected, thereby the District Courts would no longer collect their 15% administrative fee and the court clerks would no longer remit 10% of these fees to the State Judicial fund. The impact on the courts would be as follows:

District Court Impact (15% of Gross Fees)	\$1,240,249.40
State Judicial Fund impact (10% of Gross Fees Collected)	\$826,832.93
Total Impact to Courts	\$2,067,082.33

Impact Summary:

Agency	Fee/Fund Description	Annual Impact
AG	Fees Passed to Victim Services programs - 1 year estimate	\$300,000.00
DOC	Community Sentencing Fees - 3 year avg	\$34,539.00
DOC	Pre Sentencing Fees - 3 year avg	\$16,192.29
DOC	Probation & Parole Fees - 3 year avg	\$2,872,238.51
OSBI	AFIS Fees - 5 year avg	\$4,136,242.89
OSBI	FSIA - 5 year avg	\$4,371,576.33
OBN	Bureau of Narcotics Drug Education Rev Fund Deposits - 5 year avg	\$44,098.00
ODWC	Wildlife General Fund - 1 year estimate	\$2,500.00

CLEET	Training Center Penalty Fees - 4 year avg	\$1,595,641.81
DAC	Supervision Fee (deposits into GRF) - 3 year average	\$4,684,331.84
DAC	991 Fee (deposits into GRF) - 3 year average	\$5,159,625.44
ODMHSAS	Drug Abuse Education and Treatment Fund Fees - 5 year average	\$532,207.00
OSDH	Trauma Care Assistance Revolving Fund - 5 year average	\$8,185,952.44
DC	Total District Court Impact (15% of Gross Fees) - 5 year average	\$1,240,249.40
DC	State Judicial Fund impact (10% of Gross Fees Collected) - 5 year average	\$826,832.93
Total Impact		\$34,002,227.88

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Other Considerations

None.