

Multiple Agency Fiscal Note Summary

Bill Number: 1601 S HB	Title: Traffic infraction penalties
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: David Dula, OFM	Phone: (360) 902-0547	Date Published: Revised 4/ 5/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35480

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 1601 S HB	Title: Traffic infraction penalties	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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.

Legislative Contact: Alex MacBain	Phone: 360-786-7288	Date: 02/27/2013
Agency Preparation: David Elliott	Phone: 360-705-5229	Date: 02/28/2013
Agency Approval: Dirk Marler	Phone: 360-705-5211	Date: 02/28/2013
OFM Review: David Dula	Phone: (360) 902-0547	Date: 02/28/2013

Request # CJ-1

Part II: Narrative Explanation

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

Change from the previous version of the bill (HB 1601):

The bill no longer requires community restitution programs and no longer amends RCW 46.64.055.

Sections of this version of the bill with potential impact:

Section 3 would amend RCW 46.63.060 to require that notice of traffic infractions printed after June 1, 2013, must include a statement that the person shall be able to request entry into a payment plan or community restitution plan under RCW 7.80.130 or 46.63.110.

Section 4 would amend RCW 46.63.110. Traffic infraction obligations deemed to be a hardship may be satisfied by entering into a payment plan or community restitution plan.

Section 5 would amend RCW 46.63.120. Courts are required to waive, reduce or suspend the traffic infraction monetary penalty if the court finds the person indigent.

II. B - Cash Receipts Impact

There are no changes in revenue impacts from the previous version of the bill.

Data is available to make a general estimate of possible revenue reductions. However the data is not detailed.

Summary of Estimated Annual Revenue Reductions:

Section 5: the changes in Section 5 could lead to an estimated reduction as large as \$12,475,715 (State portion-\$7,926,103; Local portion-\$4,549,611)

Section 4: the changes in Section 4 could lead to an estimated reduction as large as \$9,824,625 (State portion-\$6,241,806; Local portion-\$3,582,819)

Combining these leads to estimated revenue reduction of \$22,300,340 (State portion-\$14,167,909; Local portion-\$8,132,430)

Further legal analysis is needed to determine if the community restitution option would apply to only the base penalty for these violations or to the total penalty. The total penalty includes a variety of fees and assessments that are split between state and local funds. For this note, the calculations were based on the entire 2012 collection which includes both base penalties and the additional fees and assessments.

Data:

Published caseload data for 2012 contains the following related to traffic infractions:

- There were 877,232 traffic infraction case filings in 2012.
- 354,797 (40.45%) were paid without any hearing
- 289,548 (33.01%) were found to have committed the infraction during a hearing
- 232,887 (26.55%) failed to appear/respond

There was \$130,926,527 collected from traffic infraction penalties in 2012 (this includes some penalties assessed in prior years on payment plan)

Sixteen percent of Washington residents are at or below 125 percent of the federal poverty rate.

Methodology:

It is assumed that there will be less revenue received by the courts from traffic infraction penalties based upon the provisions of this bill.

Our analysis of revenue reduction starts with the provisions of Section 5. Removing the court's discretion to waive, reduce, or suspend monetary penalties will reduce revenues. After penalties are reduced for indigency findings, we are able to use the remaining potential revenue to estimate the revenue reduction that would result from people satisfying their penalties through community restitution. To do otherwise would result in a double-reduction.

Section 5 - Revenue Reductions for Indigency

In 2012 40.45% of the traffic infraction penalties were paid without a hearing, this accounts for \$52,953,311 of the total collected in 2012.

Subtracting the paid traffic infractions from the balance of the revenue collected leaves \$77,973,216 in penalties. We assume this balance would be subject to a waiver upon a finding of indigency.

An estimated 16 percent of Washington residents qualify for an indigency finding. In order to estimate the potential impact this indigency rate (16 percent) is applied to the remaining balance. Reducing the remaining balance of \$77,973,311 by 16 percent reduces it by \$12,475,715. This leaves a net remaining balance of \$65,497,501 that may be subject to the changes found in Section 4 of the bill. (\$77,973,216 - \$12,475,715 = \$65,497,501 net)

Note:

This \$12,475,715 represents the high end of possible reduction in collection attributable to Section 5 of the bill. The actual reduction may be lower because some of the people eligible for indigent waiver may have already been removed from total collections by previous court decision. There is no data available to determine the answer to this question and therefore the estimate is indeterminate and probably lower. Each one percent of the 16 percent represents \$779,732 in potential reduction.

Section 4 - Conversion of Penalties to Payment Plan or Community Restitution Option

Some portion of the people owing the remaining \$65,497,501 annual revenue would be requesting the option of satisfying their traffic penalty through community restitution.

There is no finding of indigency required for the court to allow this option, simply the request that payment of his/her obligation would result in undue hardship.

It is not possible to estimate the number of people who would be making this request, or the number that would be granted. A high rate of penalty conversion would greatly reduce revenue.

For illustrative purposes of this judicial impact note, we are providing an estimate that the community restitution option would be allowed to satisfy approximately 15 percent of the remaining traffic infraction dispositions. Thus, the revenue reductions under the provisions of Section 4 would be equivalent to \$9,824,625 annually.

Note:

It is assumed that there will be additional revenue reductions each year if the community restitution option is available to satisfy the criminal traffic penalties assessed under RCW 46.64.055.

II. C - Expenditures

There are changes in the possible expenditure impact for the bill. The original version of the bill required local jurisdictions to offer a community restitution program. Many jurisdictions do not operate the programs. Creating a new community service/restitution program or managing those currently in community service programs are time intensive and costly for the courts. This version of the bill no longer contains that requirement.

Impacts of this version of the bill:

It is expected that there will be additional judicial and support staff time used in courts of limited jurisdiction (district and municipal courts) to hear additional requests for indigency waivers and for conversion of penalties to community restitution.

The analysis below shows a likely cost for the judicial and staff time of over \$1.8 M per year split between cities and counties.

It is possible that these costs could be partially offset by reductions in the number of cases involving persons whose driving privilege has been suspended for failure to pay. However, it is not possible to predict the magnitude of any such change that might result from this bill.

Data:

Caseload data for 2012 contains the following data related to traffic infractions:

There were 873,789 traffic infraction case filings, which led to 457,712 disposition hearings; these can be broken down as follows:

- o Deferred Finding Hearings Held – 69,363
- o Contested Hearings Held – 123,101
- o Mitigation Hearings Held – 162,338
- o Other Hearings Held – 102,910

Statewide, approximately 68.6% of the traffic infractions are filed in the district courts and 31.4% are filed in the municipal courts.

An estimated 16 percent of Washington residents will be eligible for a waiver due to indigency.

Establishing indigency for the court will require either staff time, court time, or both.

An unknown number of persons will request conversion of their penalties to community restitution.

Not every court has access to a community restitution program

Analysis:

Summary of Additional Annual Statewide Judicial Workload Expenditure:

- County Costs for District Court Judicial Officer and Staff: \$1,049,799
- City Costs for Municipal Court Judicial Officer and Staff: \$817,773

The courts, under this statutory scheme, will have to hold hearings or create another way to determine indigency.

Either there will an increase in the number of motions or people providing indigency screening for the courts will work additional hours, potentially adding staff to offices.

Additional judicial time is required to address either a request for indigency finding and resulting penalty reduction or a request to satisfy the traffic infraction penalty through the community restitution option. The colloquy is estimated to take an average of two minutes per request. It is assumed that these requests would be made at the disposition hearing.

We cannot accurately predict the number of requests for the indigency findings or the community restitution requests. For purposes of this judicial impact note, we are using 16% to calculate the number of indigency requests and community restitution requests to estimate the scope of additional judicial time.

If 16 percent of the 457,712 traffic infraction hearings each year include an indigent person or a person requesting conversion of the penalty to community restitution there would be 73,234 affected hearings annually.

It is estimated that district courts would hear approximately 50,238 of those requests and municipal courts would hear approximately 22,995 per year.

Court input suggests that if the community restitution option is offered and the obligor qualified and community service is not completed as agreed by the individual, there will be additional clerk time used to re-convert the previously adjusted receivable balance to a monetary penalty.

District Court Judges and Staff

Based on the assumptions described in the attached document, the additional time required to address 50,238 new requests under the provisions of this bill will result in the need for 1.7 additional district court judges and 10.2 additional district court staff. The annual expenditure impact to the counties will be \$1,049,799 (not including capital costs).

Municipal Court Judges and Staff

Based on the assumptions described in the attached document, the additional time required to address 22,995 new requests under the provisions of this bill will result in the need for .76 additional municipal court judges and 6.32 additional district court staff. The annual expenditure impact to the cities will be \$817,773 (not including capital costs).

Fiscal impact is calculated on a statewide basis. Even though this may result in the need for a fraction of a judicial FTE statewide when the impact of a particular bill is minimal, the goal is to provide an estimate of projected costs for a given piece of proposed legislation.

Judicial Information System Modifications

Further analysis is required to determine if the community restitution option would apply to the base penalty for these violations or to the total penalty, which includes various fees and assessments that are split between state and local funds. If the community restitution option applies to the total penalty, there will be no modifications required to the Judicial Information Systems (JIS). However, if it is determined that the community restitution option would satisfy all but the assessments under RCW 3.62.090 (former PSEA), then there will be changes required to JIS to implement the adjustments required to the accounts receivable processes. In that event, the changes are estimated to take 108 hours (requirements gathering-40; implementation-34; testing-4; documentation-30) at a one-time cost of \$12,968 in FY 2014.

Local Government Costs:

There will be costs incurred by local governments to reprint the notice of infractions. It is assumed that these costs will be reflected in the local government fiscal note.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

SOURCES:

Judicial input

Administrative Office of the Courts (AOC) caseload data 2012

Judicial Information System data

US Census data

Individual State Agency Fiscal Note

Bill Number: 1601 S HB	Title: Traffic infraction penalties	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

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.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Alex MacBain	Phone: 360-786-7288	Date: 02/27/2013
Agency Preparation: Don Arlow	Phone: (360) 902-3736	Date: 04/05/2013
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 04/05/2013
OFM Review: Jim Albert	Phone: (360) 902-0419	Date: 04/05/2013

Request # 1601 SHB-1

Part II: Narrative Explanation

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

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Part II: Explanation

This bill would allow a person to pay a monetary penalty imposed for a traffic infraction through either a payment plan or a community restitution plan, if the court determines that the person is not able to pay the monetary penalty without undue hardship.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 2 defines “community restitution” for purposes of Chapter 46.04 RCW.

Section 4 establishes the criteria under which a community restitution plan may be implemented by the court in lieu of a payment plan for certain failure to appear (FTA) violations.

Section 7 is an emergency clause.

II. B – Cash Receipt Impact

The cash receipts impact of this bill are indeterminate. The bill establishes an alternative to a payment plan for certain FTAs. Given an option that would require community restitution rather than a payment plan, more individuals may appear in court for adjudication and therefore not be subject to a driver’s license suspension. This in turn would mean that they would not be subject to the \$75 license reissue fee. Reissue fees for FTA suspensions are deposited in the Highway Safety Account.

There are no data available regarding how many individuals would use the option defined in this bill, therefore the cash receipts impact is indeterminate. It is, however, expected to be minimal.

II. C – Expenditures

None. Although implementation of this bill may result in somewhat fewer FTA suspensions, the FTA suspension process is largely automated and therefore this bill will not have an impact on DOL information systems or operations.

Part III: Expenditure Detail

None

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 1601 S HB	Title: Traffic infraction penalties
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Costs to modify traffic infraction forms

☒ Counties: Same as above

☐ Special Districts:

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☒ Legislation provides local option: Jurisdictions may offer community restitution plans

☒ Key variables cannot be estimated with certainty at this time: Costs to modify traffic infraction forms vary by jurisdiction

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/28/2013
Leg. Committee Contact: Alex MacBain	Phone: 360-786-7288	Date: 02/27/2013
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 02/28/2013
OFM Review: David Dula	Phone: (360) 902-0547	Date: 02/28/2013

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGES BETWEEN THIS VERSION AND PREVIOUS VERSION OF THE BILL:

Section 4 is modified to establish that if a court authorized community restitution program for offenders is available in the jurisdiction, the court shall allow conversion of all or part of the monetary obligations due under this section to court authorized community restitution in lieu of time payments if the person is unable to make reasonable time payments. Previously the bill had required that such programs be made available. This change modifies the expenditure impacts discussed below.

SUMMARY OF THE BILL:

Section 1 establishes legislative findings and intent relative to community restitution plans for traffic infractions.

Section 2 defines community restitution as the performance of a number of hours of community service in lieu of all or part of a monetary penalty, at the rate of the then state minimum wage per hour.

Section 3 makes changes to the notice for a traffic infraction.

Section 4 establishes that if the court determines that a person is not able to pay a monetary obligation in full without undue hardship, and not more than one year has passed since the monetary obligation initially became due and payable, the court shall, upon request of the person, enter into a payment plan or a community restitution plan with the person, unless the person has previously been granted a payment plan or a community restitution plan with respect to the same monetary obligation.

Section 5 directs the court to reduce, waive, or suspend the monetary penalty if the court finds the person indigent.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The legislation would result in moderate expenditure impacts resulting from the modification of traffic infraction forms for the approximately 240 jurisdictions around the state that issue traffic infractions.

In 2011, LGFN surveyed jurisdictions to get approximate costs to update traffic infraction forms. Total costs were estimated at \$167,000, and LGFN assumes the costs would be equivalent under the current legislation.

Infraction notices are printed by each law enforcement agency. The forms are numbered sequentially, bound in books, inventoried and tracked. Each book and range of infraction notices is assigned to a specific officer or deputy. The forms use a five-part duplication (carbonless copying) format. The motorist receives a copy, one is sent to the courts, one to the state Dept. of Licensing (DOL), and two are retained in the issuing agency's files. Changes to infraction forms can be made at the time of reprinting of forms with minimal cost. Setting a date certain may result in the discard of forms on hand and an acceleration of the reprinting with the resultant loss of the value of any forms discarded. The impacts will vary from department to department depending on inventory procedures, and larger departments will spend more than smaller departments.

Departments print these forms in bulk in order to realize savings in printing cost. This means that there is likely several years' worth of forms in inventory around the state. The time it takes an officer or deputy to exhaust a ticket book will vary from location to location. There are approximately 240 jurisdictions that use the infraction forms (39 county sheriff offices in the state and approximately 211 cities, towns, or college police departments).

Each jurisdiction has a different amount of forms on hand and rate of use. In order to estimate the expenditure impact of the bill, LGFN contacted a sample of jurisdictions that varied in size. Island County (75,000 residents) estimates the cost of early replacement of the forms at \$500, and the Wenatchee Police Department estimates \$3,500 for the City of Wenatchee (26,000 residents). A \$500 per-jurisdiction cost for the smallest 223 jurisdictions translates into a minimum estimate of \$111,500 for jurisdictions with fewer than 100,000 population ($\$500 \times 223$ jurisdictions = \$111,500).

The remaining 17 jurisdictions include cities and counties ranging in size from 101,000 to over 1.9 million population. Estimated costs for the larger jurisdictions are proportionately larger. Together the 17 larger jurisdictions represent 5.6 million of the state's population. Using a ratio of \$1,000 for each 100,000 residents provides an estimate of an additional \$56,000 for those jurisdictions ($5.6 \text{ million} / 100,000 \times \$1,000 = \$56,000$). This provides a total estimate of \$167,500 for the large and smaller jurisdictions ($\$111,500 + \$56,000 = \$167,500$).

BACKGROUND:

The Association of Washington Cities (AWC) and the Local Government Fiscal Note Program (LGFN) surveyed several jurisdictions about how they currently allow for community service to pay off traffic fines. There is a wide variation in how these programs are currently managed. The Seattle municipal court has a community service program managed by their Probation Division. Offenders work at nonprofit organizations to pay off their traffic infractions at a rate of \$10 per hour. Smaller jurisdictions have less access to nonprofit volunteer opportunities, according to both the AWC and the Washington Association of Sheriffs and Police Chiefs. Some jurisdictions organize work crews, managed either through the court or by law enforcement agencies. The City of Lacey supervises offenders with the help of volunteer senior patrol officers, but has experienced a lack of resources to run the program.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

The legislation would have no revenue impact for local government, beyond the impacts described in the fiscal note of the Administrative Office of the Courts (AOC). Court impacts, including judicial costs, clerk costs, and court fees, are described in fiscal notes prepared by the AOC. Local government fiscal notes include city and county expenditures for law enforcement investigations and arrests, indigent defenders, county prosecutors and jail costs. Please see the AOC fiscal note for a discussion of impacts to county and municipal courts.

SOURCES:

Washington Association of Sheriffs and Police Chiefs
Washington State Association of Counties
Association of Washington Cities
Thurston County Sheriff's Department
Seattle Municipal Court
Lakewood Municipal Court
Lacey Municipal Court
Local Government Fiscal Note for HB 1483, 2011