

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5974 E S SB	<b>Title:</b> Unenforceable LFOs
---------------------------------	----------------------------------

## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.1	51,000	51,000	51,000	.3	102,000	102,000	102,000	.1	51,000	51,000	51,000
<b>Total \$</b>	<b>0.1</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>	<b>0.3</b>	<b>102,000</b>	<b>102,000</b>	<b>102,000</b>	<b>0.1</b>	<b>51,000</b>	<b>51,000</b>	<b>51,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts			3,203,000			6,404,000			
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gaius Horton, OFM	<b>Phone:</b> (360) 819-3112	<b>Date Published:</b> Final 2/26/2024
---------------------------------------	---------------------------------	-------------------------------------------

# Judicial Impact Fiscal Note

<b>Bill Number:</b> 5974 E S SB	<b>Title:</b> Unenforceable LFOs	<b>Agency:</b> 055-Administrative Office of the Courts
---------------------------------	----------------------------------	--------------------------------------------------------

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

STATE	FY 2024	FY 2025	2023-25	2025-27	2027-29
State FTE Staff Years		.3	.1	.3	.1
<b>Account</b>					
General Fund-State 001-1		51,000	51,000	102,000	51,000
State Subtotal \$		51,000	51,000	102,000	51,000
COUNTY	FY 2024	FY 2025	2023-25	2025-27	2027-29
County FTE Staff Years					
<b>Account</b>					
Local - Counties		3,203,000	3,203,000	6,404,000	
Counties Subtotal \$		3,203,000	3,203,000	6,404,000	
CITY	FY 2024	FY 2025	2023-25	2025-27	2027-29
City FTE Staff Years					
<b>Account</b>					
Local - Cities					
Cities Subtotal \$					

**Estimated Capital Budget Impact:**

NONE

*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 for 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: Luke Wickham	Phone: 360-786-7146	Date: 02/12/2024
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 02/26/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/26/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/26/2024

194,493.00

Request # 217-1

## Part II: Narrative Explanation

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

The engrossed substitute bill would: 1) remove the Supreme Court in Section 1(2)(c) to authorize an administrative process to waive juvenile LFOs and 2) clarifies the clerks may seek a judicial order to waive the debt for an uncollectable LFO.

This bill would amend RCW 13.40.192 (Restitution and Other Legal Financial Obligations) related to enforcing LFOs for juveniles.

Section 1(2)(a) would amend the statute to provide that any debts shall be rendered null and void and considered satisfied and paid in full according to the following schedule:

- By June 30, 2025 debts from cases filed from July 1, 2018 to June 30, 2023.
- By June 30, 2026 debts from cases filed from July 1, 2013 to June 30, 2018.
- By June 30, 2027 debts from cases filed prior to July 1, 2013.

Section 1(2)(b) would allow the court to grant individual relief in response to a motion.

Section 1(2)(c) would allow a superior court presiding judge to authorize an administrative process to waive juvenile LFOs (not including restitution).

Section 1(2)(d) would allow the clerk of superior court to seek a judicial order to waiver outstanding debt for any uncollectable LFO, other than restitution.

Section 2 would require AOC to submit an annual report to the relevant committees of the Legislature on the implementation of this act beginning November 1, 2024.

### II. B - Cash Receipts Impact

None, the LFOs are unenforceable so there is no cash receipt impact.

### II. C - Expenditures

Juvenile case LFOs are managed in the Superior Court case management systems by information from court orders and other pleadings filed in the case, which is the official court file. The official court file is maintained by the local County Clerk's office.

For juvenile case LFOs to be considered "null and void," a court order must be issued. Adjustments to the juvenile case LFO must be completed at the local level by the County Clerk.

Based on recent reporting on juvenile case LFOs from the Washington State Center for Court Research, there are an estimated 143,000 cases to be reviewed for adjustment.

#### IMPACT TO THE ADMINISTRATIVE OFFICE OF THE COURTS

This bill would require the AOC to complete an annual report to the Legislature. Reporting on implementation would include keeping track of judicial actions, collections, adjustments and credit and background check results. The staffing estimate below assumes that information is available for reporting.

Senior Research Associate. Beginning July 1, 2024 and ongoing through June 30, 2028, AOC would require salary, benefits, and associated standard costs for 0.25 FTE to prepare an annual report to the Legislature.

#### IMPACT ON COUNTIES

##### Superior Courts

This judicial impact note assumes that Superior Court judicial officer time would not incur additional workload because juvenile LFOs have already been considered null and void.

The engrossed substitute bill would add time to the County Clerks' processes. County Clerks seeking a judicial order, validating LFO case information for eligible cases and making the necessary account adjustments could take between 75-90 minutes. For the purposes

194,493.00

Form FN (Rev 1/00)

2

Request # 217-1

Bill # 5974 E S SB

of this judicial impact note, the assumption is an average time of 83 minutes on 143,000 cases. Costs are assumed to be phased in thirds beginning in FY 2025 through FY 2027.

County Total: \$9,607,000

County Clerk Staff Costs

83 minutes multiplied by 143,000 cases divided by 60 min per hour = 196,625 hours

196,625 hours divided by 2,088 hours per FTE = 94 FTE

94 FTE multiplied by \$88,900 per FTE = \$8,357,000

County Clerk Operating Costs

94 FTE multiplied by \$13,300 = \$1,250,000

### Part III: Expenditure Detail

#### Part III: Expenditure Detail

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

<u>State</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		.3	.1	.3	.1
Salaries and Wages		29,900	29,900	59,800	29,900
Employee Benefits		9,100	9,100	18,200	9,100
Professional Service Contracts					
Goods and Other Services		900	900	1,800	900
Travel		500	500	1,000	500
Capital Outlays		500	500	1,000	500
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements		10,100	10,100	20,200	10,100
<b>Total \$</b>		51,000	51,000	102,000	51,000

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

<u>County</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Benefits					
Capital					
Other		3,203,000	3,203,000	6,404,000	
<b>Total \$</b>		3,203,000	3,203,000	6,404,000	

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

<u>City</u>	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
<b>Total \$</b>					

194,493.00

Form FN (Rev 1/00)

Request # 217-1

Bill # 5974 E S SB

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

NONE

**III. D - FTE Detail**

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Sr Research Associate	119,500		0.3	0.1	0.3	0.1
<b>Total FTEs</b>			0.3	0.1	0.3	0.1

**III. E - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

**IV. B1 - Expenditures by Object Or Purpose (State)**

NONE

**IV. B2 - Expenditures by Object Or Purpose (County)**

NONE

**IV. B3 - Expenditures by Object Or Purpose (City)**

NONE

**IV. C - Capital Budget Breakout**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 5974 E S SB

**Title:** Unenforceable LFOs

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

Cities: Please see the fiscal note of the Administrative Office of the Courts for a discussion of the decrease in fee revenue.

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:

Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 02/14/2024
Leg. Committee Contact: Luke Wickham	Phone: 360-786-7146	Date: 02/12/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/14/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/14/2024

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

**CHANGES BETWEEN THIS VERSION AND THE PRIOR VERSION OF THE BILL:**

The changes made in the engrossed substitute do not create fiscal impacts for local governments.

**SUMMARY OF THE BILL:**

Sec. 1 modifies RCW 13.40.192. A debt from a legal financial obligation (LFO) against a juvenile shall be rendered null and void, and considered satisfied and paid in full by July 1, 2027, according to the schedule established by the legislation

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

The legislation would have no expenditure impacts for local government.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

The legislation would have no revenue impacts for local government, other than a decrease in fee revenue discussed in the Administrative Office of the Courts fiscal note.

Please note that court impacts, including judicial costs, clerk costs, and court fees are described in fiscal notes prepared by the Administrative Office of the Courts. Local government fiscal notes include city and county expenditures for law enforcement investigations and arrests, indigent defenders, prosecutors, and jail costs.