

ADDENDUM

AGENDA ASSEMBLY BUDGET SUBCOMMITTEE NO. 4 STATE ADMINISTRATION

ASSEMBLYMEMBER GEORGE NAKANO, CHAIR

**WEDNESDAY, APRIL 3, 2002
STATE CAPITOL, ROOM 437
1:30 P.M.**

ITEMS TO BE HEARD

ITEM	DESCRIPTION	PAGE
0450	STATE TRIAL COURT FUNDING	2

ITEM # 0450 STATE TRIAL COURT FUNDING**ISSUE 1: COURT CRIMINAL FINES AND CIVIL FILING FEES**

CURRENT YEAR	PROPOSED CHANGE	PROPOSED BUDGET EXPENDITURES
\$123.4 million	\$60.8 million	\$184.2 million

BACKGROUND:

Under current law the courts in each county impose an assessment on every fine, penalty, or forfeiture resulting from a criminal offense. Courts also collect civil filing fees from litigants who wish to file documents during civil cases.

The Governor's Budget estimates that this year local agencies will collect \$229 million as a result of criminal fines and \$152 million from civil filing fees. By adding a surcharge of 20% on criminal fines and 10% on civil filing fees, the Department of Finance believes that the state can collect approximately \$60.8 million in additional revenues for the state General Fund.

COMMENTS:

The LAO suggests that these revenues may be overstated and cautions any dependence upon funds generated by these surcharges. Due to the methodology used by the Department of Finance in calculating state revenues and the counties ability to set the actual amount of any fine levied, the projected level of additional revenues from the surcharges may not materialize. The LAO also notes that the courts have exhibited a historical trend of declining civil filings and inaccurate revenue projections that resulted in revenue shortfalls. Thus the ability to predict the projected increase in revenues associated with a 20% surcharge on criminal fines and 10% civil filing fees may be difficult because of a number of mitigating factors.