

# FISCAL NOTE

**STATE OF ALASKA**  
**2002 LEGISLATIVE SESSION**

Fiscal Note Number: 1  
 Bill Version: SB 339  
 (S) Publish Date: 3/18/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
 Title "An Act increasing fines for certain criminal offenses." BRU Civil Division  
 Component Collections and Support  
 Sponsor Senate Finance Committee  
 Requester Senate Finance Committee Component No. 2210

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
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<b>CHANGE IN REVENUES ( )</b>	*****	*****	*****	*****	*****	*****
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2002) cost: 0.0

Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

SB 339 increases the maximum fine that a defendant who is not an organization may be sentenced to pay upon conviction of an unclassified felony; a class A, B, or C felony; a class A or a B misdemeanor, or a violation. The bill also increases the fines that may be levied against a defendant who is an organization upon conviction of certain crimes.

The Civil Division's Collection unit in the Collections and Support section is responsible for collecting criminal fines in default status. Defendants have the opportunity to pay criminal fines voluntarily to the court system. If they do not pay voluntarily, after 60 days the judgment for the criminal fine is transferred to the Department of Law for collection. The costs of collection of criminal fines is driven by the number of judgments, not their size. Court system data indicates that the rate of voluntary payments decreases as the size of the fine increases, so it is possible that more judgments will be transferred to the Department of Law for collection. To the extent increasing the size of criminal fines causes

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 Agency Department of Law

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BILL NO. SB 339 #1

### ANALYSIS CONTINUATION

more unpaid judgments to be transferred to Law, there could be a fiscal impact on the Collections unit, but we believe any impact would be minimal.

As for the potential impact on revenues that may result from increasing these criminal fines, we are unable to calculate a reliable estimate. There are simply too many variables:

The criminal fines in SB 339 are maximum fines for each type of offense. The fines may be set lower, and we have no way of estimating what the average fine would be for each level of offense. Even if we could determine an average fine, and multiplied it against an estimate of the number of convictions for each type of offense, it would be impossible to know how much revenue may actually be collected in any given year.

The department's primary means of collecting debts is through attachment of the Permanent Fund dividend, assuming the defendant is eligible for one. Under current law, felons and certain repeat misdemeanants are not eligible for a PFD if they are incarcerated at anytime during the qualifying year. Unless the defendant has significant assets, it is usually not cost effective to pursue collection of unpaid fines until they are eligible for the PFD.

If the defendant is eligible for a PFD, the amount that can be garnished from an annual dividend to pay criminal fines is limited by the size of the fine, the size of the dividend, and by what other debts are owed the state or a victim by the defendant. This latter factor is important because AS 43.23.065 prioritizes the order of debts for which a dividend may be seized. So, if the defendant also owes child support and/or restitution, the state cannot start collecting the criminal fine until those other obligations are fulfilled, as they hold a higher priority. This could take some years. Even if there are no other debts with a higher priority, if the fine is larger than the dividend amount, it again may take more than one dividend cycle to complete. It is impossible to predict how these factors would impact future revenues from criminal fines.