

**SB**

**339**

HFIN

FILE



# 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

Prepared by: Joan M. Kasson  
Division: Attorney General's Office  
Approved by: Kathryn Daughheteo for Bruce M. Botelho, Attorney General  
Agency: Department of Law

Phone: (907) 465-5370  
Date/Time: 3/15/02 12:58 PM  
Date: 3/15/2002

## FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

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.

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1  
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(S) Publish Date: 3/18/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
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Sponsor: Senate Finance Committee Component: Collections and Support  
Requester: Senate Finance Committee Component No.: 2210

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

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

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Contractual						
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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>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )	*****	*****	*****	*****	*****	*****
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1003 GF Match						
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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)

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Prepared by: Joan M. Kasson Phone: (907) 465-5370  
Division: Attorney General's Office Date/Time: 3/15/02 12:58 PM  
Approved by: Kathryn Daughheteo for Bruce M. Botelho, Attorney General Date: 3/15/2002  
Agency: Department of Law

FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. SB 339 #1

ANALYSIS CONTINUATION

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# LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES  
LEGISLATIVE AFFAIRS AGENCY  
STATE OF ALASKA

(907) 465-3867 or 465-2450  
FAX (907) 465-2029  
Mail Stop 3101

State Capitol  
Juneau, Alaska 99801-1182  
Deliveries to: 129 6th St., Rm. 329

## MEMORANDUM

February 7, 2002

**SUBJECT:** Sectional Summary of Work Order No. 22-LS1268A.

**TO:** Senator Dave Doniey  
Attn: Marilyn

**FROM:** Gerald P. Luckhaupt *JPL*  
Legal Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1. Increases the maximum fine amounts for individual defendants that are convicted of offenses subject to AS 12.55.035(a).

Section 2. Increases the maximum fine amounts for a defendant that is an organization and is convicted of offenses subject to AS 12.55.035(b).

Section 3. Makes a technical change to conform to changes made in section 1 of the bill.

Section 4. Makes a technical change to conform to changes made in section 1 of the bill.

Section 5. Makes a technical change to conform to changes made in section 1 of the bill.

Section 6. Provides an applicability section.

GPL:pjc  
02-021.pjc

# FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: SB 339  
(S) Publish Date: 3/18/02

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Administration  
Title: "An Act increasing fines..." BRU: Legal and Advocacy Services  
Component: Public Defender Agency  
Sponsor: Senate Finance  
Requester: (S) Finance Component No.: 1631

**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>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>	.	.	.	.	.	.

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)  
See attached.

Prepared by: Barbara Brink, Director Phone (907) 334-4416  
Division: Public Defender Agency Date/Time 3/15/02 10 00 AM  
Approved by: Jim Duncan, Commissioner Date 3/15/2002  
Agency: Department of Administration

FISCAL NOTE

STATE OF ALASKA  
2002 LEGISLATIVE SESSION

BILL NO. SB 339 #2

**ANALYSIS CONTINUATION**

This legislation would significantly increase the allowable fines in title 12 upon conviction of an offense. It proposes to raise the maximum fine for an unclassified felony from \$75,000 to \$500,000, with comparable increases for lesser offenses, including violations.

This legislation will likely have a fiscal impact on the Public Defender Agency, because with an increase in penalties come more violations of conditions of probation. If an offender doesn't or can't pay the fine, he will be in violation of his probation, and a petition to revoke will be filed. The Agency is appointed in many of these revocation cases, and this bill likely result in more cases handled by the Agency, charging a violation for failure to pay a hefty fine. However, it is not possible to predict with any certainty the number of new cases this bill will generate, therefore an indeterminate fiscal note is submitted.



Official Business

# Alaska State Senate

## Senate Finance Committee

### SPONSOR STATEMENT

Mail Stop 3100  
State Capitol  
Juneau, Alaska 99801-1182

### Senate Bill 339

**"An Act for increasing fines for certain criminal offenses."**

Senate Bill 339 increases maximum criminal fines that may be imposed on an individual or organization for certain criminal offenses. Alaska has not increased the maximum criminal fine amounts on individuals since the revision of the Alaska Criminal Code in 1978. Inflation since 1978 has been 215 percent. Alaska has not increased the maximum criminal fine amount on organizations since 1990. Inflation since 1990 has been 46 percent.

In existing law, the maximum allowable criminal fine to an individual who is convicted of an unclassified felony under AS 12.55.035(a) is \$75,000. Senate Bill 339 would increase this maximum criminal fine to \$500,000.

The existing maximum allowable criminal fine imposed on an individual for a Class A, B or C Felony is \$50,000. Senate Bill 339 separates and imposes a maximum allowable criminal fine for each class individually: a Class A felony maximum fine is increased to \$250,000; a Class B felony maximum fine is \$100,000 and a Class C felony maximum fine is left at \$50,000. For a Class A misdemeanor, the maximum fine is increased to \$10,000 and the maximum fine for a Class B misdemeanor is increased to \$2,000. A violation maximum fine is increased to \$500.

#### Maximum Criminal Fines Imposed on an Individual

	<u>Existing</u>	<u>Proposed</u>
Unclassified Felony	\$ 75,000.00	\$500,000.00
Class A Felony	50,000.00	250,000.00
Class B Felony	50,000.00	100,000.00
Class C Felony	50,000.00	50,000.00
Class A Misdemeanor	5,000.00	10,000.00
Class B Misdemeanor	1,000.00	2,000.00
Violation	\$ 300.00	\$ 500.00

The current maximum allowable fine imposed on an organization convicted of a felony or a misdemeanor resulting in death (AS 12.55.035(b)) is the greater of \$500,000 or twice the pecuniary gain of a defendant or pecuniary loss to the victim as a result of that offense. Senate Bill 339 increases the maximum fine under AS 12.55.035(b) that may be imposed to the greater of \$1,000,000 or three times the pecuniary gain or loss.

This legislation applies only to offenses committed on or after its effective date. The fine amounts are not mandatory; they are the maximum amounts allowed to be imposed. Judges retain their discretion to set the fines based on the conditions surrounding individual offenses.

The sponsor recognizes that most criminals will not be able to pay the higher of these increased fines. But, those that can pay should be subject to meaningful fines. Increasing the maximum allowable fines that may be imposed for committing criminal offenses will hopefully help to deter crime. Additionally, these higher fines will help reimburse the state for the costs of the criminal justice system.

DD/mjw

Attachments