

HOUSE BILL REPORT

SHB 1680

As Amended by Senate

Title: An act relating to interest on court fines.

Brief Description: Revising the distribution of interest on court fines.

Sponsors: By House Committee on Law & Justice (originally sponsored by Representatives Hickel, Appelwick and Padden; by request of Administrator for the Courts).

Brief History:

Committee Activity:

Law & Justice: 2/28/95, 3/1/95 [DPS].

Floor Activity:

Passed House: 3/8/95, 97-1.

Senate Amended.

HOUSE COMMITTEE ON LAW & JUSTICE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 17 members: Representatives Padden, Chairman; Delvin, Vice Chairman; Hickel, Vice Chairman; Appelwick, Ranking Minority Member; Costa, Assistant Ranking Minority Member; Campbell; Carrell; Chappell; Cody; Lambert; McMahan; Morris; Robertson; Sheahan; Smith; Thibaudeau and Veloria.

Staff: Brian Buckley (786-7291).

Background: Under current practice, courts of limited jurisdiction charge interest on penalties, fines, forfeitures, fees, and costs that are unpaid and have been referred to a collection agency. The authority to charge interest is not found in statute, and there is apparently little uniformity in the uses to which such interest is put.

Superior courts charge interest on legal financial obligations, accruing from the date that judgment is entered.

Courts are empowered to use collection agencies to collect unpaid penalties, fines, forfeitures, fees, and costs. Under current practice, courts often enter into agreements with collection agencies that allow such agencies to retain all or a portion of the interest accrued on unpaid court obligations to offset collection costs.

Summary of Bill: Courts of limited jurisdiction are granted the authority to collect interest on unpaid penalties, fines, bail forfeitures, fees, and costs at a rate of 12 percent per annum. Such interest may begin to accrue when a case enters collection status and may continue to accrue while the case remains in collection status.

Courts are authorized to enter into agreements with collection agencies which allow those agencies to retain all or any portion of the interest collected on unpaid court obligations.

Interest on court obligations that is retained by cities and counties is exempted from the standard remittance to the state treasurer. All such interest must be distributed as follows: 25 percent to the state public safety and education account; 25 percent to the state judicial information system account; 25 percent to the local current expense account or general fund; and 25 percent to fund local courts.

EFFECT OF SENATE AMENDMENT(S):

The Senate striking amendment specifies more precisely when and under what circumstances interest begins to accrue. The amendment allows interest to accrue from the time a debt is assigned to a collection agency, rather than from the time of "commencement of collection activity."

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date of Bill: Ninety days after adjournment of session in which bill is passed.

Testimony For: None.

Testimony Against: None.

Testified: None.

Votes on Final Passage:

Yeas 97; Nays 1

Nays: Patterson