

Report Highlights

The Collection of Court Costs and Fines in Louisiana Judicial Districts

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Audit Control # 40120069
Performance Audit Services • April 2014

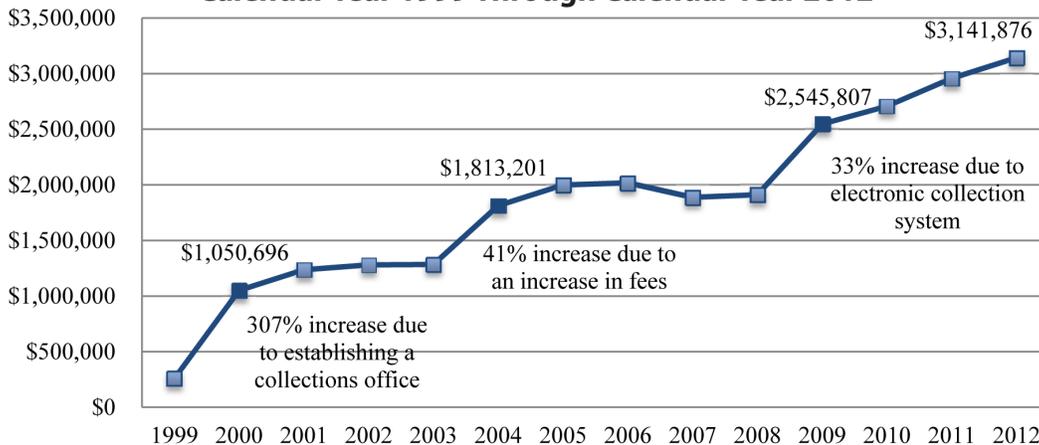
Why We Conducted This Audit

We conducted this audit to evaluate the processes for collecting court costs and fines in Louisiana judicial districts and to identify ways to improve their collections.

What We Found

Overall, we found that Louisiana does not have an effective process for collecting court costs and fines in judicial districts. However, we found that the 24th Judicial District Court (JDC) could serve as a model for other judicial districts to improve their processes for collecting court costs and fines. Annual collection amounts in the 24th JDC have increased by 1,100% over the past 14 calendar years, from about \$258,000 in 1999 to over \$3.1 million in 2012. Using the 24th JDC’s collection rate, we estimated that as much as \$126 million in court costs and fines could remain uncollected from fiscal year 2012 assessments.

**Trend Analysis of 24th JDC Collections
Calendar Year 1999 Through Calendar Year 2012**



With respect to Louisiana’s current collection practices, we found that:

- **State law does not require judicial districts to track the amounts of court costs and fines assessed in their districts.** If all 42 judicial districts tracked assessment and collection amounts, this information could be used to analyze uncollected amounts and monitor the effectiveness of the districts’ collection practices. Act 745 of the 1995 Regular Session required all executive branch agencies to submit information on accounts receivable and debt owed to the state to the Commissioner of Administration on a quarterly basis. The Commissioner is charged with reporting the results to the Joint Legislative Committee on the Budget. Similar legislation for the judicial branch would be beneficial to collections in judicial districts, as they would be required to track and report data on court costs and fines owed to the state.

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What We Found (Cont.)

- **Collection practices within and across judicial districts are inconsistent and not all districts actively pursue collections of court costs and fines.** We found that some districts do not actively pursue the collection of court costs and fines. Instead, they wait for offenders to initiate payment and make no effort to pursue uncollected amounts. The National Center for State Courts (NCSC) provides several best practices for states to make collection practices more consistent and efficient, as discussed below, along with our survey results with respect to each best practice.
 - **Dedicate staff to collection activities.** Our survey of Louisiana’s judicial districts found that 23 (66%) of the responding 35 districts currently do not have staff dedicated solely to collection activities, which best practices recommend. Also, 13 (41%) of 32 districts cite a lack of resources/staff as a barrier to effective collections. Act 339 of the 2013 Louisiana Regular Session established the Office of Debt Recovery within the Department of Revenue to collect debts on behalf of the executive branch agencies. The creation of a similar entity or function in the judicial branch could help increase the collection of court costs and fines in Louisiana.
 - **Implement an electronic case management and collection system.** According to NCSC, such an electronic system is essential for efficient and effective collections, as it would allow districts to identify noncompliant offenders and take actions to collect any unpaid court costs and fines. Sixteen (50%) of 32 responding judicial districts in Louisiana cite a lack of automation/technology as a barrier to effective collections.
 - **Set up payment plans.** Best practices prescribe that payment plans should include total amounts assessed, payment schedules, and consequences for nonpayment. According to our survey, 28 (74%) of the responding 38 judicial districts have set up some type of payment plans to increase collections.
 - **Follow-up with noncompliant offenders.** According to best practices, phone calls, mailed notices of nonpayment, or more aggressive consequences should be enforced as outlined in the payment plan. Currently, 30 (81%) of 37 Louisiana judicial districts report that they perform some type of follow-up with offenders.
 - **Hold and suspend drivers’ licenses.** Although best practices recommend and state law authorizes collection agents to hold and suspend offenders’ driver’s licenses until full payment is received, only 17 (46%) of the 37 responding judicial districts currently employ this best practice.
 - **Intercept state taxes.** Currently, only six (16%) of 37 judicial districts report intercepting offenders’ state tax refunds for outstanding court assessments, although best practices recommend and state law gives all districts the authority.
- **Louisiana law does not designate a central oversight entity that monitors performance and provides guidance for collections in judicial districts.** According to Article V of the Louisiana Constitution, the Louisiana Supreme Court has general supervisory jurisdiction over the judicial districts. However, according to the Louisiana Supreme Court, its role in the area of local court costs and fines is statutorily limited to the Judicial Council’s review of requests by judicial districts for new or increased court costs and/or fees. NCSC states that an oversight entity should monitor performance by reviewing collection metrics for judicial districts. Currently, both Texas and Florida have statewide oversight entities that monitor the effectiveness of and provide guidance for collection programs.

In addition, we found that state law does not specify how judicial districts are to disburse partial payments received from offenders. By law, collected court costs and fines are disbursed to numerous entities, programs, and funds within state and local government to offset the cost of providing services to the public. We found that at least six (14%) of the 42 judicial districts that accept partial payments do not disburse these partial funds to the applicable entities. One of these districts had collected more than \$700,000 in partially paid court costs and fines that it has not yet disbursed to the necessary entities because it is waiting for guidance on how to disburse the partial payments. As a result, the lawful entities are not receiving all the revenues from court costs and fines that they are entitled to in a timely manner.