

**SUPREME COURT OF VERMONT
OFFICE OF THE COURT ADMINISTRATOR**

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TO: Pat Gabel
Court Administrator

FROM: Gregg Mousley
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DATE: December 27, 2019 (revised 1/27/20)

RE: Financial Impact of Fee Bill Proposals

There are three fee bill proposals being considered this session. I have reviewed each one and provide the financial impact on each. None of the proposed changes has a significant financial impact.

The proposals are as follows:

- Section 1 proposes to amend 13 V.S.A. § 7282. SURCHARGES to increase the \$47 surcharge in subsection (a) to a \$50 surcharge. This change is being sought as the Tax Department will only accept debts of at least \$50. Due to this minimum threshold, the judiciary cannot refer unpaid \$47 surcharges to the Tax Department for collection.

Financial Impact: The Judiciary collected this \$47 surcharge from 68,154 cases in FY19. It is important to note that this surcharge is applied on top of other underlying debt. Therefore, it is unlikely that the total debt owed by an individual remains under the \$50 minimum threshold for tax offset. I do not believe that this proposal will substantially change the collection of this fee.

Currently, the revenue from this fee is allocated as follows:

Fund	Amt of \$47	%	FY19 Total*
Victims Compensation Special Fund	\$29.75	63.3 %	\$ 2,027,581.50
Domestic and Sexual Violence Special Fund	\$10.00	21.3 %	\$ 681,540.00
General Fund	\$7.25	15.4 %	\$ 494,116.50
Total	\$47	100 %	\$ 3,203,238

* Based on surcharge applying to 68,154 cases

If the surcharge were increased by \$3 to a total of \$50, then the revenue distribution would be as follows:

Fund	Amt of \$50	%	Proposed Total*
Victims Compensation Special Fund	\$29.75	59.5 %	\$ 2,027,581.50
Domestic and Sexual Violence Special Fund	\$10.00	20 %	\$ 681,540.00
General Fund	\$7.25	14.5 %	\$ 494,116.50
Undetermined Fund	\$3.00	6.0 %	\$ 204,462.00
Total	\$50	100 %	\$ 3,407,700

* Based on surcharge applying to 68,154 cases

If this fee is raised by \$3, then the amount collected would increase by approximately \$204,462 per year. The current statute is silent on where the remaining \$7.25 goes, so the Judiciary sends it to the General Fund. The proposal would need to either clarify what fund benefits from the additional \$3, or it will be assumed that it should go to the General Fund.

- Section 2 proposes to amend 24 V.S.A. § 1981. ENFORCEMENT OF ORDER FROM JUDICIAL BUREAU to add an instance in which the Judicial Bureau can assess a standard \$10 surcharge for failure to pay a penalty. While the Judicial Bureau applies the \$10 assessment to instances in which an individual fails to timely pay a penalty after hearing or a default judgment, the statutes are silent on instances in which an individual fails to timely pay a penalty after an admission of guilt. This amendment clarifies that any failure to pay a penalty timely will result in an added \$10 surcharge—regardless of how the penalty was assessed.

Financial Impact: This municipal fee is charged only in cases where they default. This proposal seeks to charge this fee in cases where they contest at a hearing and lose, or admit guilt (see chart below). The reason for this proposal is not to increase fees or revenue, but to provide an avenue for decreased administrative burden on the Judicial Bureau staff that process these fees. The new case management system cannot be programmed to assess the municipal fee only in defaulted cases. It can be programmed to automatically assess the municipal fee on all judgements. Currently, staff at the Judicial Bureau are manually assessing this fee. The cost of the time savings has not been measured. That would require a time study that has not been conducted.

No Response	Hearing, Lost	No show at Hearing	Admit	Change of Plea
\$10	No	\$10	No	No

In CY19, municipalities are expected to assess \$143,292 in fees on 413 cases. But only 23.4% of that (\$33,530) are estimated to be paid. The financial impact of the fee would be as follows:

	CY19 – Defaulted only	With Proposed Fee- Defaulted Contested No Contest	Difference
Cases	413	730	317
Amount Assessed (\$10 fee)	\$ 4,130.00	\$ 7,300.00	\$ 3,170.00
Collection Rate	23.4%		
Amount Collected	\$ 966.42	\$ 1,708.20	\$ 741.78

If this fee proposal were to be adopted, then an additional \$741 annually would be sent to the municipalities, but efficiency at the Judicial Bureau would be improved.

- Section 3 proposes to amend 32 V.S.A. § 1431 FEES IN SUPREME AND SUPERIOR COURTS to clarify that the filing fee for an appeal of a probate decision in the Superior Court Civil Division is \$295. This clarification comports with the courts’ standing practice. For fiscal reference, about 22 probate appeals are filed each year in the judiciary, yielding about \$6,490 per year for the General Fund. Yield varies depending on the number of actual filings and whether the filer qualified for a fee waiver.

Given that this proposal comports with current practice, there is no financial impact of this proposal.