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MEASURE: HB 2653-A
EXHIBIT: M
HOUSE REVENUE COMMITTEE
DATE: 5/18/2011 PAGES: 2
SUBMITTED BY: CHAS ALLANACH

DATE: May 18, 2011
TO: House Committee on Revenue
RE: HB 2653-A, relating to justice courts

Co-Chair Berger, Co-Chair Barhart and Members of the Committee:

The Lane County Board of Commissioners is in support of HB 2653-A and urges a "DO PASS" recommendation on this measure. HB 2653 represents consistency with regards to the overall justice system, and good fiscal policy.

HB 2653-A changes Oregon law in two important ways:

- It allows Justice Courts to access the full range of judgement collection services offered by the Department of Revenue's Other Agency Collection Unit.
- It requires Justice Courts that access these services to report to the Legislative Fiscal Office information about liquidated and delinquent accounts that heretofore has been unavailable for examination by the legislative assembly.

In Lane County's experience, we operate three Justice Courts. Over the past 7 years, these courts have imposed just under \$30M in fines, mostly for violations. Just under \$19M of that has actually been collected. **Thus, the County is leaving money it desperately needs on the table, and importantly, the state is also missing revenue otherwise due to it through the unitary assessment.**

HB 2653-A will not completely eliminate the difficulties in collecting judgements from those who break the law. However, it does represent an additional tool for Justice Courts across the state to utilize as they go about the business of collecting outstanding judgements.

This measure puts Justice Courts on equal footing with Circuit Courts in terms of the tools the court may use for collections. That is good policy. That it has the additional benefit of generating revenue for the state of Oregon, through improved collection services, is good fiscal policy.

We urge a YES vote.

	Annual imposed	Actual Collection	Actual Collection Rate	Assuming 80% collection rate targeted by HB 2653	Differential
Clackamas	\$5.29M	\$1,988,134	37%	\$4,232,000	\$2,243,866
Deschutes	\$1.18M	\$696,000	59%	\$944,000	\$248,000
Lane	\$4.22M	\$2,658,600	63%	\$3,376,000	\$717,400
Washington	\$3.02M	\$2,228,184	74%	\$2,418,238	\$190,054
Tillamook	\$0.87M	\$616,786	71%	\$696,000	\$79,214
TOTAL ADDITIONAL COLLECTIONS					\$3,478,534
NET TO STATE GF					\$973,989

This table illustrates what could happen under HB 2653 whereby Justice Courts may take advantage of the full range of collections services offered by the Department of Revenue's Other Agency Collection Unit. The bill is permissive, thus a mix of counties is provided in the table above to illustrate an example of five counties taking advantage of the new opportunity presented by HB 2653.

Assuming a collection rate of 80% (based on the state's experience with collecting violations), the Differential column provides the increased revenue to each court. Of that increase, the state would expect, on average (dependent on actual fine mix), to receive \$0.28 for each dollar collected, or an additional \$973,989 above current conditions.

This illustration does not exhibit revenue to DOR for DOR fees associated with providing this service.

This illustration prepared by Alex Cuyler, Intergovernmental Relations Manager, Lane County