

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

BILL: CS/SB 1852

SPONSOR: Finance and Taxation Committee and Senator Burt

SUBJECT: State Revenues Collected by Clerks of the Court

DATE: March 28, 2001 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Keating	Johansen	FT	Fav/CS
2.	_____	_____	AGG	_____
3.	_____	_____	AP	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

I. Summary:

The bill provides for the electronic remittance of state revenues collected by the clerks of the court to the Department of Revenue for deposit into specified trust funds of agencies receiving the revenues.

This bill substantially amends, creates, or repeals the following sections of the Florida Statutes: 213.13, 27.52, 28.101, 28.2401, 28.241, 34.041, 44.108, 316.192, 318.18, 318.21, 329.73, 372.7015, 372.72, 382.023, 741.01, 775.0835, 938.01, 938.03, 938.04, 938.06, 938.07, 938.25, 938.27, 960.17, 318.14, 327.35, 382.022, 569.11, and 938.23.

II. Present Situation:

The clerks of the court collect and manually submit court fines and fees to the state from a variety of sources. Current disbursement procedures for such fines and fees to state agencies are costly, inefficient, and labor intensive with many manual processes involved for the clerks and state agencies. According to information provided by the *Florida Association of Court Clerks*, this manual distribution of fines and fees for eventual deposit to state agency accounts currently takes 11 to 14 days from the time the clerk drops the check in the mail to the posting into the state agency account. The process relies heavily on the U.S. Postal Service for delivery to state agencies that, upon receipt, start their own manual process of verification and validation, and eventual deposit of funds to the appropriate account. There is currently no statewide or individualized electronic disbursement by counties to state agencies except for the monthly electronic disbursement of child support payments made by the Department of Revenue. In addition to court related costs, fees and fines, the clerks of the court also collect the Class C Intangible Personal Property Tax and the Documentary Stamp Tax for the state.

In Auditor General Report No. 01-062, *Assessment and Collection of Court Costs Authorized by Chapter 938, Florida Statutes*, published in November 2000, one of the several recommendations made to improve the economy and efficiency of the processes established by law for the assessment, collection, remittance, and distribution of court costs established by Chapter 938, F.S., is to establish a single state clearing trust fund into which the base court cost would be deposited.

III. Effect of Proposed Changes:

Section 1. The bill creates s. 213.13, F.S., providing for the electronic remittance and distribution of funds collected by the clerks of the court to the Department of Revenue for deposit into specified trust funds of agencies receiving the funds. The Department of Revenue is directed to establish procedures requiring the electronic transmittal of funds and associated return information submitted by clerks of the court. These procedures must be developed jointly by the department and the Florida Association of Court Clerks representing the clerks of the court. The department shall adopt rules necessary to implement the procedures contained in this section.

The funds to be transmitted electronically by the clerks to the department include proceeds from the taxes imposed by chapter 199 - Class C Intangibles Tax, chapter 201 - Documentary Stamp Tax, and all other fees, fines, reimbursements, court costs, or other court-related funds that the clerks must remit to the state pursuant to law. At a minimum, these electronic remittance procedures must include:

- a. The prescribed reporting frequency and time period for the clerks to remit such funds and the prescribed time period in which the department must electronically deposit the funds received to the appropriate state funds and accounts;
- b. The electronic format and type of debit remittance system to be used by the clerks to remit the required information; and
- c. The information that must be submitted with each remittance.

The clerks must also submit return information electronically in addition to the electronic payments required by this section.

To ensure that the department deposits on a correct and timely basis the revenues electronically received from the clerks, the agencies that are statutorily authorized to receive such revenue deposits shall grant the department electronic access to their appropriate funds and accounts.

Section 2. Notwithstanding any other provisions of law, all moneys collected by the clerks of the court for subsequent distribution to a state agency or to the Supreme Court must be transmitted to the Department of Revenue for appropriate distribution. A uniform remittance form provided by the department detailing the specific amounts due each fund must accompany such submittal.

Sections 3 – 30. The bill makes the necessary changes to statutes to provide for the electronic remittance of court costs collected by the clerks of the court to the Department of Revenue for deposit into specified trust funds of agencies receiving the revenues.

Section 31. Provides that, effective upon this act becoming a law, the Department of Revenue is authorized to prepare the forms and adopt the rules and procedures necessary for the administration of this act.

Section 32. Except as otherwise expressly provided in this act, this act shall take effect March 1, 2002.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The 67 clerks of the court will be able to submit a report of all state revenues from court costs, fees and fines collected and remit payment in a single, automated transaction. In addition, clerks will have the ability to file both their Class C Intangibles Tax and Documentary Stamp Tax electronically. Electronic filing will significantly enhance the economy and efficiency of the collection, remittance, and distribution of state court costs by reducing the number of remittances and transfers required. The cost of collection and remittance should decrease for the clerks of the court.

The Department of Revenue estimates the cost to develop and maintain a web-based system that will enable the clerks of the court to submit a report of all fines and fees collected and remit payment in a single, automated transaction, to be \$150,000 – a non-recurring \$100,000 in programming costs and a recurring \$50,000 to cover the costs of maintaining the web-site and distribution of revenues. In the 2001 Senate Appropriations Bill, the State Court System is appropriated \$150,000 to support this proposal.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
