

**STORAGE NAME:** h1937.prc.doc  
**DATE:** April 13, 2001

**HOUSE OF REPRESENTATIVES**  
**PROCEDURAL & REDISTRICTING COUNCIL**  
**ANALYSIS**

**BILL #:** HB 1937

**RELATING TO:** State revenues collected by clerks of the court

**SPONSOR(S):** Procedural & Redistricting Council and Representative Byrd

**TIED BILL(S):** HB 1939

**ORIGINATING COMMITTEE(S)/COUNCIL(S)/COMMITTEE(S) OF REFERENCE:**

- (1) PROCEDURAL & REDISTRICTING COUNCIL YEAS 15 NAYS 0
  - (2)
  - (3)
  - (4)
  - (5)
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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.

Except as otherwise provided, the effective date of this bill is March 1, 2002.

This bill has an anticipated one-time fiscal impact of \$150,000.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- |                                   |                              |  |   |
|-----------------------------------|------------------------------|--|---|
| 1. <u>Less Government</u>         | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/>            |
| 2. <u>Lower Taxes</u>             | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u>      | Yes <input type="checkbox"/> | No <input type="checkbox"/>            | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

Less Government: This bill would increase the work load of the Department of Revenue but will decrease the workload on court clerks.

B. 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. 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 from 11 to 14 days from the time the clerk mails the check to the time the check is posted into the state agency account. There currently is 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 costs, the clerks of the court also collect for the state, the Class C Intangible Personal Property Tax and the Documentary Stamp Tax pursuant to Chapters 199 and 200, Florida Statutes.

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 collected monies would be deposited.

C. EFFECT OF PROPOSED CHANGES:

This bill 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, and 960.17. See Section by Section Analysis below for further explanation.

D. SECTION-BY-SECTION ANALYSIS:

**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 in conjunction with the clerks of the court, and 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 Florida Statutes chapter 199, Class C Intangibles Tax; Florida Statutes 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 and local 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 such remittance.

The clerks shall submit return information with the electronic payments required by this section in a manner that is initiated through electronic means.

Requires the department to deposit the revenues electronically received from the clerks in a correct and timely manner. Requires the agencies that are statutorily authorized to receive such revenue deposits to grant the department electronic access to their appropriate funds and accounts.

**Section 2.** Notwithstanding any other provision 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 each submission.

**Sections 3 – 25.** 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 the agencies receiving the revenues.

**Section 26.** Authorizes the Department of Revenue to prepare the forms and adopt the rules and procedures necessary for the administration of the act.

**Section 27.** This act shall take effect March 1, 2002, except as expressly provided in Section 13 of the bill, which has an effective date of July 1, 2002.

### III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

This bill should result in a one-time speed up of revenues deposited into various state trust funds

##### 2. Expenditures:

None

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Section IV below.

2. Expenditures:

This bill is expected to reduce local government expenditures related to remitting various moneys to the state by electronic funds transfer.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

None

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or to take action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill may trigger the provisions of Article 7, Section 18, of the Florida Constitution if it reduces the revenue raising authority of counties by decreasing the time money would be on deposit and potentially earn interest. If it does trigger such provision it meets the exception for an "insignificant fiscal impact" as the maximum interest earnings are estimated at \$1,250,000 annually.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

This bill does not reduce the percentage of a state tax shared with counties or municipalities.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The 67 clerks of the court will be able to submit a report of all court fines and fees 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

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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.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

Amendment 1. Title Amendment. Corrects a scrivener's error (329.73 should have been 327.73), adds 5 statutory references to the title that were omitted and further conforms the title to the text of the bill.

Amendment 2: Removes the deletion of subsection 318.21(2)(i) on page 11, lines 19 through 27, nullifying the deletions and leaving present law intact.

VII. SIGNATURES:

PROCEDURAL & REDISTRICTING COUNCIL:

Prepared by:

Staff Director:

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Eric Haug, J.D.

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P.K. Jameson, J.D.