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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Corrections and the Courts...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

Assembly

Record of Committee Proceedings

Committee on Corrections and the Courts

Assembly Bill 211

Relating to: collection of fees, fines, forfeitures, and surcharges by credit or debit card; setoffs against tax refunds; disclosing information obtained by the Department of Transportation to the Department of Revenue; and creation of a fine or forfeiture service fee and a payment plan fee.

By Representatives Gottlieb, Seidel, Bies, Gielow, Gronemus, Gunderson, Hahn, Hundertmark, Jeskewitz, Kestell, Kreibich, LeMahieu, Montgomery, Ott, Owens, Pettis, Towns, Townsend, Underheim, Vos, Mursau, Albers, Vrakas, Kerkman, Strachota, Berceau, Richards, Nischke, Kessler, Molepske, Nelson, Parisi, Pope-Roberts, Sherman, Shilling, Vruwink, Sheridan and Stone; cosponsored by Senators Grothman, Kedzie, A. Lasee, Olsen, Wirch and Roessler.

March 16, 2005 Referred to Committee on Corrections and the Courts.

May 18, 2005 **PUBLIC HEARING HELD**

Present: (9) Representatives Bies, Gundrum, Underheim,
 Owens, Suder, LeMahieu, Pope-Roberts,
 Wasserman and Parisi.
Absent: (1) Representative Seidel.

Appearances For

- Denise Solie — Rep. Mark Gottlieb
- Sherrie Gates-Hendrix — WI DOR
- Kristine Deiss — WI Clerk of Circuit Court Association
- Sheila Reiff — WI Clerks of Circuit Court
- Sarah Diedrick-Kasdorf — WI Counties Association

Appearances Against

- None.

Appearances for Information Only

- None.

Registrations For

- Karen Hepfer — Chippewa County Clerk of Courts
- Judith Coleman — Dane County Clerk of Courts
- Mark Wadium — Outagamie County
- Tari Wheary — WI Clerks of Circuit Court Association
- Erin Egan — DMV

- Glen Grothman — Sen., 20th Senate District
- Dave Krahn — Waukesha County
- Mike Serpe — Kenosha County
- Roy De La Rosa — Milwaukee County

Registrations Against

- None.

June 1, 2005

EXECUTIVE SESSION HELD

Present: (10) Representatives Bies, Gundrum, Underheim, Owens, Suder, LeMahieu, Pope-Roberts, Wasserman, Seidel, Parisi.

Absent: (0) None.

Moved by Representative Seidel, seconded by Representative Bies that **Assembly Amendment 1** be recommended for adoption.

Ayes: (10) Representatives Bies, Gundrum, Underheim, Owens, Suder, LeMahieu, Pope-Roberts, Wasserman, Seidel, Parisi.

Noes: (0) None.

ASSEMBLY AMENDMENT 1 ADOPTION RECOMMENDED,
Ayes 10, Noes 0

Moved by Representative Suder, seconded by Representative Seidel that **Assembly Amendment 3** be recommended for adoption.

Ayes: (10) Representatives Bies, Gundrum, Underheim, Owens, Suder, LeMahieu, Pope-Roberts, Wasserman, Seidel, Parisi.

Noes: (0) None.

ASSEMBLY AMENDMENT 3 ADOPTION RECOMMENDED,
Ayes 10, Noes 0

Moved by Representative LeMahieu, seconded by Representative Seidel that **Assembly Bill 211** be recommended for passage as amended.

Ayes: (10) Representatives Bies, Gundrum, Underheim, Owens, Suder, LeMahieu, Pope-Roberts, Wasserman, Seidel, Parisi.

Noes: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 10, Noes 0

A handwritten signature in black ink, consisting of several overlapping, sweeping strokes that form a cursive-style name.

Andrew Nowlan
Committee Clerk

Assembly Committee on Corrections and the Courts

DATE _____
 Moved by Seidel Seconded by Bies
 AB 211 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____
 A/S Amdt 1 _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Indefinite Postponement
 Introduction Tabling
 Adoption Concurrence
 Rejection Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Garey Bies, chair	1			
2.	Rep. Mark Gundrum, vice-chair				
3.	Rep. Greg Underheim	8			
4.	Rep. Carol Owens	2			
5.	Rep. Scott Suder	3			
6.	Rep. Daniel LeMahieu	4			
7.	Rep. Sondy Pope-Roberts	5			
8.	Rep. Sheldon Wasserman	6			
9.	Rep. Donna Seidel	7			
10.	Rep. Joe Parisi	8			
Totals		8	0		

MOTION CARRIED

MOTION FAILED

Assembly Committee on Corrections and the Courts

DATE _____
 Moved by Suder Seconded by Siedel
 AB 2.11 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____
 A/S Amdt 3
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection
 - Indefinite Postponement
 - Tabling
 - Concurrence
 - Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Garey Bies, chair	1			
2.	Rep. Mark Gundrum, vice-chair				
3.	Rep. Greg Underheim	9			
4.	Rep. Carol Owens	2			
5.	Rep. Scott Suder	3			
6.	Rep. Daniel LeMahieu	4			
7.	Rep. Sindy Pope-Roberts	5			
8.	Rep. Sheldon Wasserman	6			
9.	Rep. Donna Seidel	7			
10.	Rep. Joe Parisi	8			
Totals					

MOTION CARRIED

 MOTION FAILED

Assembly Committee on Corrections and the Courts

DATE _____
 Moved by LeMah Seconded by Seidel
 AB 211 SB _____ Clearinghouse Rule _____
 AJR _____ SJR _____
 A _____ SR _____ Other _____
 A/S Amdt _____
 A/S Amdt _____ to A/S Amdt _____
 A/S Sub Amdt _____
 A/S Amdt _____ to A/S Sub Amdt _____
 A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

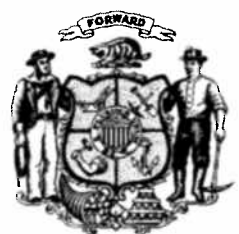
- Be recommended for:
- Passage
 - Introduction
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 - Nonconcurrence

	Committee Member	Aye	No	Absent	Not voting
1.	Rep. Garey Bies, chair	1			
2.	Rep. Mark Gundrum, vice-chair				
3.	Rep. Greg Underheim	9			
4.	Rep. Carol Owens	2			
5.	Rep. Scott Suder	3			
6.	Rep. Daniel LeMahieu	4			
7.	Rep. Sony Pope-Roberts	5			
8.	Rep. Sheldon Wasserman	6			
9.	Rep. Donna Seidel	7			
10.	Rep. Joe Parisi	8			
	Totals	8			

MOTION CARRIED MOTION FAILED



WISCONSIN STATE LEGISLATURE






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MEMORANDUM

TO: Honorable Members of the Assembly Committee on Corrections and the Courts

FROM: Sarah Diedrick-Kasdorf, Senior Legislative Associate 

DATE: May 18, 2005

SUBJECT: Support for Assembly Bill 211

The Wisconsin Counties Association (WCA) strongly supports Assembly Bill 211 which provides county clerks of circuit court with several tools to assist in the collection of fines and forfeitures owed to state and county governments. WCA and the Wisconsin Clerks of Circuit Court Association have worked together to draft legislation to assist counties in ensuring all debt owed to state and county governments is aggressively sought. Assembly Bill 211 provides counties with five tools that will ease collection efforts at the local level.

- Assembly Bill 211 allows counties to hire a debt collector, instead of a collection agency, to collect unpaid fines and forfeitures. The change in terminology, from collection agency to debt collector, broadens the scope of contractors counties may utilize in their collection efforts. The term "collection agency" has a specific meaning in Wisconsin statutes. Utilizing the term "debt collector" will allow counties, for example, to utilize the services of an attorney for the purposes of collecting debt.
- Also included in Assembly Bill 211 is a provision that allows county clerks of circuit court to charge a fee for establishing and monitoring a payment plan ordered by the court. The amount of the fee may not exceed \$15 and must be on a sliding scale based on the person's ability to pay in view of the person's income. Many clerks of court work with individuals who cannot pay their fine or forfeiture at the time the fine or forfeiture is due. However, counties incur costs associated with the development of a payment plan and monitoring the plan to ensure payments are made in a timely fashion. This provision allows counties to recover a portion of their costs associated with the creation and enforcement of payment plans.

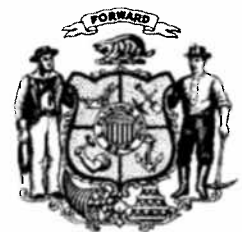
- Assembly Bill 211 allows clerks of circuit court to accept credit cards and debit cards for any required payment to the clerk and for the payment of bail and charge a reasonable fee for the use of a credit card or debit card. Currently, some counties utilize a third-party vendor for credit card payments which increases the cost for the debtor. Under this provision, counties could directly accept credit card payments, which increases our chances for upfront payment, and recover their costs (fees charged by credit card companies) for offering the payment option to debtors.
- Under current law, if a county certifies debt to the Department of Revenue for collection under the tax intercept program, the Department charges the county an administrative fee for collecting a certified debt. Currently, the administrative fee is set at 2% of the amount collected. Under Assembly Bill 211, the debtor pays the administrative fee rather than the local government certifying the debt.
- Finally, under Assembly Bill 211, the Department of Transportation must disclose any information that it obtains from driver's license and vehicle title applications to the Department of Revenue for the purposes of administering state taxes and collecting debt, including social security numbers and signatures. This provision is extremely useful to county government in our attempt to collect delinquencies owed to the state and counties. Under current law, counties are required to submit to the Department of Revenue an individual's name and social security number to begin the tax intercept process for the collection of delinquencies. In many instances, clerks of court have available to them an individual's name and driver's license number only. Therefore, a valuable tool is made unavailable for use in the quest to collect monies rightfully owed the state and counties.

With increasing pressure on property taxes throughout the state, the time is right to provide counties with the tools necessary to collect revenues rightfully owed to counties and the state.

WCA respectfully requests your support for Assembly Bill 211. Thank you for considering our comments.



WISCONSIN STATE LEGISLATURE





MARK GOTTLIEB

STATE REPRESENTATIVE • 60TH DISTRICT

Co-Chair • Joint Committee for Review of Administrative Rules
Vice-Chair • Assembly Republican Caucus

**Testimony of Rep. Mark Gottlieb
Assembly Bill 211
Assembly Committee on Corrections and the Courts
May 18, 2005**

Thank you for holding this public hearing on Assembly Bill 211, which would assist county clerks of court in collecting fees, fines, forfeitures, and surcharges imposed by the courts.

Counties collect court-ordered fines and forfeitures, with 10% retained by the county for administrative purposes, and 90% sent to the state. Many counties find that the 10% that they are allowed to keep is inadequate to cover their collection costs, especially if they must hire staff or contract with a collection agency to collect the monies owed. Counties then must either use property taxes for these expenses, or let the fines and forfeitures go uncollected.

Other bills have been introduced this session that would allow counties to keep a greater percentage of the fines and forfeitures that they collect. This bill does not do that. Instead this bill provides mechanisms to assist counties in collecting these monies.

Current law already allows a county to certify a debt to the Department of Revenue (DOR) so that DOR can collect the debt from any tax refund owed the debtor. Under this bill, DOR charges the person who owes the debt the 2% tax intercept administration fee, rather than charging the county.

The bill also allows counties:

- To hire a debt collector (either a person or a business) instead of a collection agency.
- To accept credit and debit cards for the collection of fines and forfeitures.
- To collect a reasonable fee, as determined by the county board, to be retained in full by the county, to cover the cost of the credit or debit card transaction.
- To create a sliding fee (based on a person's ability to pay) of up to \$15 to set up and monitor a payment plan for persons ordered to make payments to the clerk of court.

The bill also requires the Department of Transportation (DOT) to disclose to DOR information that it obtains from driver's license and title applications for the purpose of collecting these debts through tax intercept.

This bill will not result in additional costs to any individual who pays their fines, fees, or forfeitures in full and in cash or by check. It does, however, require anyone using a credit or debit card to pay the costs associated with using that card, instead of those costs being borne by county property taxpayers.

At the request of the Department of Transportation, Representative Seidel and I introduced Assembly Amendment 1, narrowing the scope of the bill. AA1 limits the information that DOT may provide to DOR to names, addresses, license numbers, and social security numbers. I ask that the committee adopt Assembly Amendment 1.

The Department of Revenue requested an amendment, which Representative Seidel and I introduced, to address administrative difficulties that they had with the bill as originally drafted. When DOR collects unpaid debts for state agencies, the agencies pay the fees for using the tax intercept system. Because the bill would require DOR to collect fees directly from the debtor when counties use the tax intercept program, the DOR would have to create a new administrative system to assess fees on individuals while still continuing to maintain the current method of assessing fees to administrative agencies. Assembly Amendment 2 would allow the department to implement a uniform system in the treatment of fees. Under the amendment, all fees charged for the tax intercept program will be assessed back to the individual, whether the tax intercept originates with the courts or with a state agency.

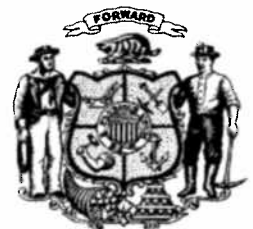
Instead of adopting Amendment 2, I ask that the committee adopt Amendment 3 which is a further refinement of AA2. Upon further review, DOR requested a change to remove language in the original bill that appeared to be contradictory. The phrase "At the time of each settlement," has been deleted from both sections 71.93 and 71.935 to remove any ambiguity regarding when the fees are charged. AA 3 incorporates this change into Assembly Amendment 2.

The changes proposed in AB 211 will improve the process of collecting court-ordered fees, fines, and forfeitures. It will reduce the amount of property tax required for this function, and hopefully provide additional incentive for counties to collect currently unpaid fines, fees, and forfeitures. Ultimately, AB 211 could help to increase amount of money going to the Common School Fund.

I appreciate the opportunity to address the committee, and thank you for holding this hearing on AB 211.



WISCONSIN STATE LEGISLATURE





State of Wisconsin • DEPARTMENT OF REVENUE

2135 RIMROCK RD. • P.O. BOX 8933 • MADISON, WISCONSIN 53708-8933
PHONE (608) 266-6468 • FAX (608) 266-5718 • <http://www.dor.state.wi.us>

Jim Doyle
Governor

Michael L. Morgan
Secretary of Revenue

Assembly Committee on Corrections and the Courts Hearing, May 18, 2005

2005 AB 211 – Collections of fees, fines, forfeitures, and surcharges (Rep. Gottlieb)

Description of Current Law and Proposed Change

Under current law, fines and forfeitures imposed by the circuit court must be paid in cash or by check. Under the bill, fines and forfeitures could be paid by credit card, debit card, or under a payment plan for which an administrative fee (maximum \$15) could be imposed.

Under current law, a county, municipality, or state agency may certify any debt owed to it of \$20 or more, excluding unpaid property taxes, to DOR for collection under the refund intercept program. The county or municipality must provide DOR with the debtor's social security number. DOR deducts the debts from any payments due the debtor and remits collections to the county or municipality. Quarterly, DOR bills counties and municipalities at a rate of 2% of collections to recover DOR's administrative costs.

Under the bill, a county or municipality, but not a state agency, could provide DOR with the debtor's operator's (driving) license number. Administrative costs on collections for a county or municipality, but not a state agency, would be charged to the debtor.

Under LRBA0620/1 administrative costs for collections of state agency debts would be charged to the debtor.

Under AA 1, information provided to DOR from DOT would be limited to names, addresses, license numbers and social security numbers.

Fairness/Tax Equity

- The intercept program was designed to provide counties, municipalities, and the state with another means of recovering debts owed to them. To the extent that these debts are recovered, the affected governments should have less need to raise taxes or fees.
- The debtor would be responsible for paying the cost of collections. Currently, taxpayers effectively pay for these costs.

Administrative Impact/Fiscal Effect

- Allowing fines and forfeitures to be paid by credit or debit card or under a payment plan could increase collections of fines and forfeitures. Allowing municipalities and counties to give DOR an operators license number instead of a social security number could increase the amounts intercepted by DOR. DOR does not have information to reasonably estimate how these provisions would affect collections.
- Based on amounts intercepted for counties and municipalities in FY04, collecting administrative costs from the debtor instead of the county or municipality will increase local government revenues by about \$200,000 per year.
- Under current law, state agencies can also request DOR to collect certain unpaid debts through the refund intercept program. Fees for use of the system are currently paid by the state agency. Under the language in the bill as introduced only county and municipal administrative costs may be charged to the debtor. Having two systems – one for counties and municipalities and one for state agencies – would be administratively costly and continue to burden state agencies with the costs of collecting from debtors. LRB a0620/1 addresses these concerns by also authorizing charges to debtors for state agency debt collections costs.

DOR Position

- DOR supports the bill if amended by LRB a0620/1 to provide that all debtors, not just those to counties and municipalities, would be responsible for paying the administrative fees of the refund intercept program. DOR also supports AA1 limiting the information provided from DOT to DOR.

Prepared by: Daniel P. Huegel, 266-5705

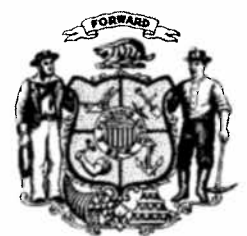
May 13, 2005

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WISCONSIN STATE LEGISLATURE





Wisconsin Clerks of Circuit Court Association

Serving Wisconsin Courts

TESTIMONY ON ASSEMBLY BILL 211
BEFORE THE COMMITTEE ON CORRECTIONS AND COURTS
MAY 18, 2005

Sheila Reiff, Co-Chair, WCCCA Legislative Committee
Kristine Deiss, V.P., WCCCA

The Wisconsin Clerks of Circuit Court Association through their Legislative Committee supports this legislation and identifies the following issues:

- Many Clerks of Circuit Court currently contract or are in the process of contracting with Collection Agencies for the collection of debt.
- Mandatory service charges are often unaffordable for counties, resulting in their inability to accept credit/debit card payments. Clerks also utilize agencies that charge the cardholder a percentage-based fee that may be excessive in relation to the fine, fee or forfeiture debt. Establishing a county-retained service fee would reduce costs to both counties and debtors for debit/credit card transactions.
- Many clerks allow payment plans when the ability to pay the debt in full is not an option for the debtor. Payment plans require a lot of staff time for implementation and monitoring. The minimal fee would assist in offsetting some of the costs for staff time.
- The certification of outstanding debts from the Consolidated Court Automation Program (CCAP) to the Department of Revenue requires a debtor's Social Security Number. Obtaining this information can be time-consuming and costly for clerks and their staff. The certification through an operator's license number creates an additional, less-intrusive method of transmission while reducing costs to the counties.
- Under current law, if a county certifies a debt with the Department of Revenue, a 2% administrative fee is assessed. This bill changes the responsibility of the fee to the debtor.

President

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Executive Committee

Kristine Deiss, Chair
John Barrett, Dist. 1
Tari Wheary, Dist. 2
Carolyn Evenson, Dist. 3
Nan Todd, Dist. 4
Judy Coleman, Dist. 5
Bernie Flatoff, Dist. 6
Angela Sylla, Dist. 7
Nancy Robillard, Dist. 8
Cindy Kimmons, Dist. 9
Renaë Baxter, Dist. 10

Legislative Committee

John Barrett, Dist. 1, Co-Chair
Sheila Reiff, Dist. 2, Co-Chair
Kristine Deiss, Dist. 3
Diane Fremgen, Dist. 4
Judy Coleman, Dist. 5
Louise Schulz, Dist. 6
Claudia Singleton, Dist. 7
Paul Janquart, Dist. 8
Sue Krueger, Dist. 9
Karen Hepfler, Dist. 10

Wisconsin Clerk of Circuit Court Position Paper – AB211

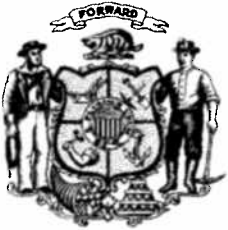
Page 2

This bill shifts responsibility to the debtor and relieves some of the administrative costs born by the county associated with tax intercept, credit/debit card fee and payment plan fees.

We appreciate the opportunity to address your committee today and thank you for your consideration in support of this bill.



WISCONSIN STATE LEGISLATURE



Nowlan, Andrew

From: Gottlieb, Mark
Sent: Monday, May 23, 2005 11:31 AM
To: Nowlan, Andrew
Subject: AB 211

Andrew,

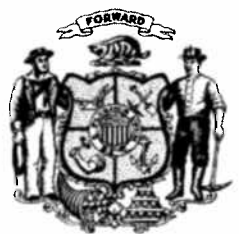
Sorry we didn't get back to you sooner. I have had no staff in the office Friday PM or today.

Thanks for scheduling the bill for a vote.

Mark Gottlieb
State Representative
60th Assembly District
www.legis.state.wi.us/assembly/asm60/asm60.html



WISCONSIN STATE LEGISLATURE



AB 211 - Gottlieb

Collection of fees & fines

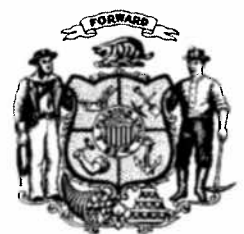
See Rep. Gottlieb's testimony. The testimony speaks well to all points.

Rep. Gottlieb supports AA1 and AA3⁶²⁰¹¹

> Seems unfair to charge extra fee to those paying by credit card. However, seems unfair to pass the credit charge fee on to the taxpayers rather than to those who owe the fine.



WISCONSIN STATE LEGISLATURE



AB 211

Allows for debt collector

Allows Circuit court to accept
debit/credit cards

Allows county to access fee for
debit/credit

Allows county to access sliding fee
based on ability to pay.

AA1

Specifies info DOT to

Name, Addy, DL # SS #

Needed to
use tax
intercept
programs

AA3

Auth DOR to charge to person
admin fee to person who owes debt