



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



4

226 Capitol Boulevard Bldg., Suite 508
Nashville, Tennessee 37243-0760
Phone: (615) 741-3012
Fax: (615) 532-2443
www.tn.gov/tacir

MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 5 December 2016

SUBJECT: Court Fees and Taxes in Tennessee: Uses, Collections, and Legislation—Draft Report for Review and Comment

The attached commission report is submitted for your review and comment. The report responds to a request from Representative Jon Lundberg, Chairman of the House Civil Justice Committee to study court fees. In his letter of April 13, 2015, Chairman Lundberg wrote that several committee members are concerned about the recurring fee increases and asked the Commission to review all bills passed in the last 10 years that increased any type of court fee, describe the fees and how they are being used, and make recommendations. The study also includes information about efforts to collect unpaid court costs because many stakeholders discussed this issue during interviews, and court clerks expressed frustration over how difficult it can be to collect court costs.

The draft report also discusses the concern expressed by several Tennessee legislators that some fees and taxes are increased to fund programs that are not related to the courts, even though those programs may be for worthwhile "good causes." The legislators questioned if it is fair to fund agencies and programs, regardless of their worth, through the court system, or if they should be funded through some other mechanism. The draft suggests that Tennessee could, as is done in Louisiana, provide more thorough analysis of court costs and related earmarks through the use of a judicial committee that reviews and makes recommendations on bills proposing to add or increase court costs. Louisiana requires sponsors to submit such bills to a committee of the state Supreme Court to determine if it is reasonably related to the operation of the courts or court system.

The report also says that many stakeholders and court clerks emphasized that collecting fees and taxes can be problematic, especially in criminal cases. However, there is little collections data available to help determine the scope of the issue. According to the most comprehensive

and recent collections data available from AOC, from 2012, the collection rate was 72% in civil courts and 30% in criminal courts. In 2008, the Tennessee Fiscal Review Committee surveyed court clerks about criminal collection rates as part of a study to estimate the revenue derived from criminal fines; only 15 clerks responded. The Committee staff recommended that the Administrative Office of the Courts (AOC) be required to send an annual report of uncollected criminal case assessments from each county to the Committee. The draft report says that the Commission concurs with this recommendation.

A final report reflecting your guidance will be submitted for approval at the next meeting.