



# 2023 REVIEW OF COURT DEBT PRACTICES AND PROCEDURES AND STATUTORY REQUIREMENTS

State Court Administration, Iowa Judicial Branch

## Abstract

The Iowa Judicial Branch recognized potential issues with how its system was distributing court debt. To better understand those issues and how to fix the issues, State Court Administration contracted with the National Center for State Courts (NCSC) to review and recommend changes.

NCSC reviewed the system in 2022 and 2023 and provided a report discussing the issues. State Court Administration offers this report 1) addressing the issues NCSC discussed and 2) providing legal conclusions on those issues and requisite programming changes to effectuate the necessary changes.

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**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

- I. Introduction..... 2
- II. Collection Fee Analysis ..... 2
  - A. Are Collection Efforts Necessary to Receive a Collection Fee?..... 3
  - B. Collection Fee on Eligible Court Debt ..... 4
    - 1. Generally..... 4
    - 2. Repealed Surcharges ..... 6
  - C. No Collection Fee on Ineligible Court Debt..... 7
    - 1. Ineligible Court Debt for Both IDR & County Attorney Collections ..... 7
    - 2. Date Certain Court Debt Became Ineligible for IDR Collection Fee..... 12
    - 3. Amount Ineligible for Collection Fee by County Attorney, but Eligible for IDR: Collected Through Setoff Under Section 421.65 (Previously Section 8A.504) ..... 13
- III. Issues Discussed in NCSC Report ..... 15
  - A. Criminal Fines: Collection Fee and Distribution ..... 15
    - Detailed Description with Required Programming Changes ..... 17
  - B. Fees under Section 602.8106(4)(a): Collection Fee and Distribution ..... 20
    - Detailed Description with Required Programming Changes ..... 22
  - C. Proof of Financial Responsibility (Insurance)..... 24
    - Detailed Description with Required Programming Changes ..... 27
  - D. Littering Citations ..... 31
    - Detailed Description with Required Programming Changes ..... 34
  - E. Sex Offender Civil Penalty ..... 39
    - Detailed Description with Required Programming Changes ..... 41
  - F. Commercial Vehicle Enforcement Citations ..... 42
    - Detailed Description with Required Programming Changes ..... 45
  - G. Penitentiary Offset Payments: Collection Fee ..... 49
    - Detailed Description with Required Programming Changes ..... 51
  - H. Department of Transportation Civil Penalties..... 51
    - Detailed Description with Required Programming Changes ..... 54
  - I. Criminal Penalty Surcharge ..... 57
    - Detailed Description with Required Programming Changes ..... 59

## I. Introduction

The Iowa Judicial Branch, State Court Administration (SCA), offers the following legal analysis on court debt issues addressed in the report issued by the National Center for State Courts (NCSC). The analysis is focused on court debt distribution requirements since SF 457 went into effect in 2020. SCA recognizes that many of the legal issues presented are open to multiple interpretations. Nevertheless, SCA believes it is important to try to resolve these issues and that begins with carefully considered decisions on how to proceed, until and unless the legislature takes further action to clarify the statutes.

Article 8 of Iowa Code Chapter 602 pertaining to clerks of court within the judicial branch provides the source of most of the court debt collection and distribution provisions, especially Iowa Code sections 602.8106-602.8108. Significant provisions in section 602.8107 include, but are not limited to, the following:

- Iowa Code section 602.8107(1)(a) states that “[c]our debt’ means all restitution as defined in section 910.1, fees, forfeited bail, and other debt paid to or collected by the clerk of the district court.”<sup>1</sup>
- Iowa Code section 602.8107(2) states in part that “[c]our debt shall be owed and payable to the clerk of the district court. All amounts collected shall be distributed pursuant to sections 602.8106 and 602.8108 or as otherwise provided by this Code.”
- Iowa Code section 602.8107(3) applies to Iowa Department of Revenue collections.
- Iowa Code section 602.8107(4) applies to county attorney collections.

## II. Collection Fee Analysis

The following collection fee analysis is up to date consistent with Iowa Code 2024.<sup>2</sup> When court debt is assessed, it is immediately due and payable to the clerk of the district court. If the court debt is paid within thirty days after the date it is assessed, there is no collection fee. If court debt is not paid within thirty days, it becomes delinquent. After court debt becomes delinquent, it is assigned to either a county attorney or the Iowa Department of Revenue’s Centralized Collection Unit (IDR) for collection. An obligor’s voluntary payments toward court debt are then generally subject to a collection fee unless the type of court debt is ineligible for a collection fee.

Iowa Code section 602.8107(3)(b) provides the amount of the IDR collection fee—15% of each court debt payment that is subject to a collection fee—and the types of court debt and recipients of court debt that are not subject to an IDR collection fee. Specifically, it says:

The department of revenue shall receive fifteen percent of each court debt payment collected on cases assigned to the department of revenue for collection to reflect the cost of processing and the remaining eighty-five percent of such court debt collected shall be paid to the clerk of the district court for distribution under section 602.8108. *The department of revenue collection fee shall not include the amount of court debt collected for restitution involving pecuniary damages, the victim*

<sup>1</sup> This definition went into effect July 1, 2021, due to changes made in SF 367, section 3 (2021).

<sup>2</sup> Court debt assessment and distribution statutes did not change much from Iowa Code 2023 to Iowa Code 2024. The exception to that is discussed in [Amount Ineligible for Collection Fee by County Attorney, but Eligible for IDR: Collected Through Setoff under Section 421.65](#) (transferring the DAS offset system under section 8A.504 to the IDR setoff system in section 421.65) and [the Commercial Vehicle Enforcement Citations](#) (changing which department the law enforcement officers worked for that wrote the citations).

*compensation fund, the crime services surcharge, the domestic and sexual abuse crimes surcharge, the agricultural surcharge, or the sex offender civil penalty.*

(Emphasis added).

Iowa Code section 602.8107(4)(c) and (d) provide that the county attorney collection fee is 28% of each court debt payment that is subject to a collection fee, which shall be deposited in the county general fund. If the county exceeds a certain designated threshold amount for collection, which varies based on the population of the county, the county attorney receives an additional 5% of each court debt payment that is subject to a collection fee. The remaining 72% or 67% is distributed by the clerk of the district court for distribution under section 602.8108 or as otherwise provided by law. Iowa Code section 602.8107(4)(a) provides that payments toward the following types of court debt or to the following recipients are not subject to a county attorney collection fee:

This subsection does not apply to amounts collected for restitution involving pecuniary damages, the victim compensation fund, the crime services surcharge, the domestic and sexual abuse crimes surcharge, the agricultural theft surcharge, the sex offender civil penalty, or under section 421.65.

These lists of what is ineligible for a collection fee are almost identical for IDR and for county attorneys. On both lists, neither collector should receive a collection fee for payments toward:

- 1) Restitution involving pecuniary damages,
- 2) The victim compensation fund,
- 3) The crimes services surcharge,
- 4) The domestic and sexual abuse crimes surcharge,
- 5) The agricultural theft surcharge, or
- 6) The sex offender civil penalty.

The difference between the lists is the presence on the county attorney list for amounts collected “under section 421.65” (previously “under section 8A.504”). In other words, IDR should receive a collection fee, but county attorneys should not receive a collection fee, for amounts collected under section 421.65. See [“Amount Ineligible for Collection Fee by County Attorney, but Eligible for IDR: Collected Through Setoff Under Section 421.65”](#) for further elaboration.

#### A. Are Collection Efforts Necessary to Receive a Collection Fee?

It is not entirely clear whether IDR or a county attorney must engage in collection efforts in order to receive a collection fee on court debt payments made while the case is assigned to collections with the collector. Iowa Code section 602.8107(3)(b) states that IDR “shall receive fifteen percent of each court debt payment collected on cases assigned to [IDR] for collection to reflect the cost of processing.” In contrast, county attorneys only receive a 28% collection fee on the amounts “collected by the county attorney or the person procured or designated by the county attorney.” Iowa Code § 602.8107(4)(c)(1) (emphasis added).

At first glance it appears that IDR and county attorney collectors are not subject to the same standard as to whether collection efforts are necessary to receive a collection fee. It could be construed that if a payment is made on the court debt in a case that is assigned to IDR—even if the payment is not the result of IDR’s efforts—IDR still receives a collection fee. In contrast, it could be construed that county attorneys should only receive a collection fee if the payment is the result of their efforts. This assumes that different language has

different meanings. However, if the phrase in section 602.8107(3)(b) “*to reflect the cost of processing. . . .*” is not describing why 15% is provided, but is rather limiting the collection fee to circumstances where IDR processed the payment, then both 602.8107(3) and (4) could be interpreted as requiring the collector to engage in collection activities in order to receive a collection fee. SCA is unaware of legislative intent to require collection activity of county attorneys but not IDR in order to receive a collection fee.

**SCA concludes that the best response to the question: “are collection efforts necessary to receive a collection fee?” is that IDR and county attorneys should be treated the same for purposes of whether the collector’s collection efforts must be the source of the court debt payment being collected. Specifically, both IDR and county attorneys should not receive a collection fee if it is apparent that the payment was not made as a result of the collector’s collection activities.** If a payment is received because of the following:

1. clerk offset pursuant to section 602.8103(6),
2. penitentiary offset pursuant to section 904.702, or
3. treasurer’s interface pursuant to section 321.40,<sup>3</sup>

then the debt collector should not receive a collection fee because it is evident that the payment was not the result of the collector’s collection activities. These payments are considered “involuntary payments.”

However, all voluntary payments should be presumed to be the result of collection activity and shall result in a collection fee being distributed. Such a presumption is necessary because there is not a practical way of knowing if the voluntary payment was due to the collection activity or not. This is particularly the case because court debt is paid to the clerk of court, not the collectors.

In addition to the involuntary payments listed above, DAS offset/IDR setoff also facilitates involuntary payments. Those involuntary payments are addressed in more detail in [amounts collected through setoff under section 421.65](#).

This conclusion is consistent with current practice.

## B. Collection Fee on Eligible Court Debt

### 1. Generally

When an obligor’s debt goes to collection, the obligor’s court debt balance does not grow. Rather, the obligee is required to share a percentage of the court debt payment (equal to the collection fee) with the collector. This is done administratively by the judicial branch distributing the collection fee to the collector and the remainder to the obligee as set forth in Iowa Code sections 602.8106 through 602.8108 or as otherwise provided by law.<sup>4</sup>

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<sup>3</sup> The process by which obligors pay court debt “through the treasurer’s interface” developed as a result of Iowa Code section 321.40. Pursuant to Iowa Code section 321.40(4), the county treasurer shall refuse to renew vehicle registration if an applicant has **delinquent restitution** as defined in section 910.1(10). Also, pursuant to section 321.40(10), the county treasurer shall refuse to renew registration if a clerk has notified the treasurer of **delinquent court debt** in collections. As a result, obligors pay their court debt to the clerk or enter into an installment agreement with a court debt collector in order to register their vehicle. Such a payment occurs because an obligor needs to register their vehicle, not because of collection activities by the court debt collector.

*NOTE: Section 321.40(4) refers to “restitution,” while 321.40(10) refers to more expansive “court debt.” These two sets of criteria do not align perfectly.*

<sup>4</sup> For both IDR and county attorney collections, after a collection fee is deducted from a court debt payment, Iowa Code sections 602.8107(3) & (4) state that the remainder shall be paid to the clerk for distribution under section 602.8108. These provisions could be

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

When a collection fee applies to a court debt payment (“eligible” court debt), first the collector’s percentage is deducted from the payment.

For example, fines and fees are not on the lists of court debt that are ineligible for a collection fee (“ineligible” court debt). Thus, obligees will not receive the full amount of a payment toward a fine or fee if the case is in collections because the collection fee must first be deducted. The following shows how the collection fee affects the distribution of eligible court debt, such as a fine or fee.

In a case in collections with IDR, if an obligor makes a \$100 court debt payment that is paid toward a fine, then the court debt payment is distributed as follows:

- 1) \$15 to IDR as a collection fee; and
- 2) \$85 to the applicable obligees pursuant to the relevant distribution provision in section 602.8106, 602.8108, or as otherwise provided by law.

In a case in collections with a county attorney before the threshold has been met, if an obligor makes a \$100 court debt payment that is paid toward a fine, then the court debt payment is distributed as follows:

- 1) \$28 to the county general fund as a collection fee; and
- 2) \$72 to the applicable obligees pursuant to the relevant distribution provision in section 602.8106, 602.8108, or as otherwise provided by law.

In a case in collections with a county attorney after the threshold has been met, if an obligor makes a \$100 court debt payment that is paid toward a fine, then the court debt payment is distributed as follows:

- 1) \$28 to the county general fund as a collection fee;
- 2) \$5 to the county attorney as a collection fee; and
- 3) \$67 to the applicable obligees pursuant to the relevant distribution provision in section 602.8106, 602.8108, or as otherwise provided by law.

As the examples illustrate, the collection fee percentage is taken from each payment; it is not that the collection fee on the court debt balance is paid in entirety before any payments are made to the obligee. So, if the court debt balance were \$1,000, it is not as though the first \$150 in payments is payable to IDR and only after that do the obligees get paid.

If part of the payment is paid toward an eligible court debt and the other part is paid toward an ineligible court debt, distribution would occur as follows. If a \$100 payment is made on a case where \$25 is ineligible for the collection fee and \$75 is eligible for the collection fee, the program will apply the \$25 to the ineligible financial (“fin”) code, then prorate the 15/85 on the remaining \$75 (collection fee = \$11.25, applicable obligees = \$63.75).

The following table also conveys this information.

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interpreted as prohibiting the application of distribution requirements set forth under Iowa Code section 602.8106 or as otherwise provided by law, if a case is in collections. SCA concludes that is not the best interpretation. The best interpretation, which gives full effect to all of the legislature’s instruction on court debt distribution, is to give full effect to the following provision: “Court debt shall be owed and payable to the clerk of the district court. *All amounts collected shall be distributed pursuant to sections 602.8106 and 602.8108 or as otherwise provided by this Code.*” Iowa Code § 602.8107(2) (emphasis added).

<b>Collection Fee on Eligible Court Debt: General Distribution</b>		
<b>Type of Collector</b>	<b>Collection Fee 602.8107(3) &amp; (4)</b>	<b>Amount remaining after collection fee shall be distributed pursuant to 602.8106, 602.8108, or other applicable provision 602.8107(2)</b>
Not at Collections	\$0	\$100.00
IDR	\$15.00 to IDR	\$85.00
County Attorney <u>before</u> threshold has been met	\$28.00 to County	\$72.00
County Attorney <u>after</u> threshold has been met	\$28.00 to County \$5.00 to County Attorney	\$67.00

## 2. Repealed Surcharges

Senate File 457 removed the following types of court debt from the list of debt that the county attorney does not receive a collection fee on:

- 1) the criminal penalty surcharge,
- 2) the Drug Abuse Resistance Education (“DARE”) surcharge,
- 3) the law enforcement initiative surcharge,
- 4) the county enforcement surcharge, and
- 5) fees charged pursuant to section 356.7 (sheriff room and board fees).

SF 457, bill sections 10 & 67. SF 457 added the crimes service surcharge to the list of court debt ineligible for a collection fee.

The DARE surcharge, the law enforcement initiative surcharge, and the county enforcement surcharge were repealed in SF 457, section 22 (repealing sections 911.2 (DARE surcharge), 911.3 (law enforcement surcharge), and 911.4 (county enforcement surcharge)). Additionally, section 911.1 was amended to strike the criminal penalty surcharge, which was 35% of the fine or forfeiture imposed and replaced it with the crime services surcharge, which is 15% of the fine or forfeiture imposed. SF 457, bill section 18. Finally, SF 457 removed sheriff room and board fees charged pursuant to section 356.7 from being recovered through the court debt collection procedure, making the fees recoverable only through a civil action and not subject to ability to pay. SF 457, bill section 67.

The repeal of the DARE surcharge, the law enforcement initiative surcharge, and the county enforcement surcharge; the striking of the criminal penalty surcharge; and the removal of recovery of sheriff fees from the

court debt collection process were the likely impetus for striking those terms from the list of ineligible court debt for a collection fee. Although the aforementioned surcharges ceased being assessed following SF 457 and new sheriff fees are no longer referred to collections, those surcharges and sheriff fees assessed prior to SF 457 continue to be collected and distributed.

It is common for court debt to be collected many years after it is assessed. Current collection and distribution law applies to debt assessed at an earlier time. If the legislature had intended for the surcharges to continue to be exempt from a collection fee, the legislature should have kept those surcharges in the list of debt exempt from a collection fee. The legislature recognized the importance of continuing to address court debt that is no longer assessed in the context of uncollectible debt when it addressed the parameters of writing off debt in its 2021 court debt legislation. SF 367, bill section 6. The legislature struck and inserted a new section on uncollectible debt and provided that repealed surcharges shall not be charged off until sixty-five years from the imposition, including: criminal penalty surcharge, drug abuse resistance education surcharge, law enforcement initiative surcharge, county enforcement surcharge, as well as fees charged pursuant to section 356.7, even though those fees are no longer assessed as court debt. *Id.* It is possible that it was not the legislature's intent to start requiring repealed surcharges to be subject to a collection fee; however, SCA is bound by the plain language of the statute until the legislature provides otherwise by amending the statute.

If a case is in collections with a county attorney, SCA concludes that payments distributed on or after July 15, 2020, toward the following types of court debt are subject to a collection fee: criminal penalty surcharge,<sup>5</sup> DARE surcharge, law enforcement initiative surcharge, county enforcement surcharge, and sheriff room and board fees pursuant to section 356.7. This is inconsistent with current practice for all of those types of court debt; current programming is not providing a collection fee on any of these types of court debt. Programming needs to be adjusted to reflect this approach.

If a case is in collections with IDR, SCA concludes that payments made January 1, 2021 (when IDR began collecting) toward the following types of court debt are subject to a collection fee: criminal penalty surcharge,<sup>6</sup> DARE surcharge, law enforcement initiative surcharge, county enforcement surcharge, and sheriff room and board fees pursuant to section 356.7 are subject to a collection fee. The reason is because the list of exempt court debt was created by SF 367 in 602.8107(3) without the aforementioned court debt included on the list. Except for the criminal penalty surcharge, the conclusion that this court debt is subject to a collection fee for IDR is consistent with current practice.

## C. No Collection Fee on Ineligible Court Debt

### 1. Ineligible Court Debt for Both IDR & County Attorney Collections

As stated above, the types of court debt that are ineligible for a collection fee are almost identical for IDR and for county attorneys. First, the debt that is listed as not eligible for a collection fee for both the IDR collector and county attorney collectors will be addressed together. That includes the amount of court debt collected for:

- a) restitution involving pecuniary damages,
- b) the victim compensation fund,
- c) the crime services surcharge,

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<sup>5</sup> The criminal penalty surcharge is generally subject to a collection fee; however, the amount statutorily required to be distributed to the victim compensation fund is not subject to a collection fee. For further elaboration see [Ineligible Court Debt for Both IDR & County Attorney Collections: Victim Compensation Fund](#).

<sup>6</sup> *Id.*



- d) the domestic and sexual abuse crimes surcharge,
- e) the agricultural theft surcharge,<sup>7</sup> and
- f) the sex offender civil penalty.

See Iowa Code § 602.8107(3)(b) & (4)(a).

*a. Restitution Involving Pecuniary Damages*

Pecuniary damages, as defined in Iowa Code section 910.1(6),<sup>8</sup> payable to a victim are not subject to a collection fee. Even if the case is in collection, the victim is entitled to the full amount ordered by the court and does not have to share a percentage of the payment received with the collector. This is consistent with current practice.

*b. Victim Compensation Fund*

The “victim compensation fund” is established in Iowa Code section 915.94. The meaning of “victim compensation fund” in section 602.8107(3) & (4) is subject to varying interpretations. There are a few options that are all plausible as the exemption from a collection fee: 1) the phrase could refer to a type of court debt: “crime victim compensation program reimbursements;” 2) it could mean the recipient of court debt, which is otherwise known as the obligee, the “victim compensation fund;” or 3) it could refer to both the type of court debt and the obligee.

**SCA concludes that the best interpretation is number 3: neither crime victim compensation program reimbursements nor court debt that is statutorily required to be distributed to the victim compensation fund should be subject to a collection fee.**

**Option 1: “Crime victim compensation program reimbursements”:** This is the court debt that the judge orders a defendant to pay to reimburse the crime victim compensation program for expenses it paid out to the defendant’s victim (or the victim’s family member in the event of the victim’s death) for expenses incurred because of the defendant’s crime. “Crime victim compensation program reimbursements” are referred to in sections 910.1 and 910.2 as category “B” restitution. Court debt paydown priority is listed in section 602.8107(2)(c) and includes in the priority list “[c]rime victim compensation program reimbursement,” but does not include “victim compensation fund.”

A Fiscal Topic document on the Crime Victim Assistance Division indicates that funding for the victim compensation fund is in part from “victim restitution” and “subrogation or reimbursement for costs incurred from the at-fault party.” See LSA Fiscal Topics: Crime Victim Assistance Division (2015), available at <https://www.legis.iowa.gov/docs/publications/FTNO/16795.pdf>. Either of those categorizations, and particularly the latter, could describe crime victim compensation program reimbursements. Additionally, the same document indicates that the Crime Victim Compensation Program: “[p]ays certain out-of-pocket expenses of crime victims and their families. . . . The Victim Compensation Fund pays for these expenses.” It is likely

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<sup>7</sup> Iowa Code section 602.8107(3)(b) refers to this surcharge as “the agricultural surcharge;” while Iowa Code section 602.8107(4)(a) refers to this as “the agricultural *theft* surcharge.” It is assumed that 602.8107(3)(b) includes a drafting error and is intended to refer to the same “agricultural theft surcharge” as described in section 911.5, which shall be distributed as provided in 602.8108(11).

<sup>8</sup> “‘Pecuniary damages’ means all damages to the extent not paid by an insurer on an insurance claim by the victim, which a victim could recover against the offender in a civil action arising out of the same facts or event, except punitive damages and damages for pain, suffering, mental anguish, and loss of consortium. Without limitation, ‘pecuniary damages’ includes damages for wrongful death and expenses incurred for psychiatric or psychological services or counseling or other counseling for the victim which became necessary as a direct result of the criminal activity.” Iowa Code § 910.1(6).

that these reimbursement payments are put into the victim compensation fund, which supports the interpretation that reimbursements to the crime victim compensation program are not subject to a collection fee.

Furthermore, crime victim compensation program reimbursements are of the same nature as the other items in the list—pecuniary damages, the crime services surcharge, the domestic and sexual abuse crimes surcharge, the agricultural theft surcharge, and the sex offender civil penalty—these are all types of court debt, not recipients of court debt.

**Option 2: “Victim Compensation Fund”:** The “victim compensation fund” is not a type of court debt assessed by the court or clerk. It is different from the other terms in the list in Iowa Code section 602.8107(3) & (4). Other references in the Iowa Code and Iowa Acts to “victim compensation fund” are to a fund that has money deposited into it and from which funds are distributed for the purpose of the crime victim assistance program, as well as for sex abuse medical examinations. *See* Iowa Code § 915.94 (referring to subchapter VII of chapter 915: Victim Compensation and section 915.41). Rather, the victim compensation fund is a recipient of certain court debt funding (including part of the surcharge under section 911.1 and part of the scheduled fine associated with driving without proof of financial responsibility pursuant to Iowa Code section 805.8A(14)(f)).

Nevertheless, “victim compensation fund” is the precise phrase used in the lists of ineligible debt. Furthermore, judicial branch programming has never provided a collection fee on amounts statutorily required to be distributed to the victim compensation fund.

**Conclusion:** The plain language of the statute indicates that a collection fee should not be taken from payments collected for the victim compensation fund and the judicial branch’s programming has always been programmed to not take a collection fee for moneys that are owed to the victim compensation fund. The plain language of the statute should typically prevail. Additionally, stakeholders have come to rely on the judicial branch not deducting a collection fee from moneys statutorily required to be distributed to the victim compensation fund and legislators have revised the court debt collection statutes without addressing this issue. Yet, reimbursements to the crime victim compensation program are a type of court debt just like every other term listed in 602.8107(3) & (4), which is listed as not eligible for collection fee. Additionally, the nature of the court debt is money expended as a result of the defendant’s actions to address a victim’s injuries. As discussed earlier, the crime victim compensation program is funded from the victim compensation fund, and it appears that the crime victim compensation program reimbursements are deposited in the victim compensation fund, just as court debt owed to the victim compensation fund is.

Yet, “reimbursements to the crime victim compensation program” is not listed in the list. Greater clarity would be ideal. In the absence, of greater clarity, the SCA concludes that the best course of action is to not provide a collection fee on either moneys statutorily required to be distributed to the victim compensation fund (for example in proof of financial responsibility fines and the surcharge pursuant to section 911.1) or reimbursements to the crime victim compensation program.

This conclusion is not entirely consistent with current practice.

When a case is in collections with IDR, current practice provides a collection fee for IDR on crime victim compensation program reimbursements, but not for court debt that is statutorily required to be distributed to the victim compensation fund.

When a case is in collections with county attorney collectors, current practice is as follows:

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

- 1) as it relates to distributing the surcharge under section 911.1, the moneys required to be distributed to the victim compensation fund are not subject to a collection fee (and 100% of the money owed to the victim compensation fund is distributed to the victim compensation fund);<sup>9</sup>
- 2) as it relates to fines for violations under Iowa Code section 805.8A(14)(f) (Proof of Financial Responsibility), programming provides a collection fee on the fine, but does not distribute any money to the victim compensation fund;<sup>10</sup> and
- 3) as it relates to the reimbursements to the crime victim compensation program, the county attorney does not receive a collection fee (and 100% of the money to reimburse the crime victim compensation program is distributed to the crime victim compensation program).

### *c. Crime Services Surcharge*

The crime services surcharge is set forth in Iowa Code section 911.1. Section 911.1 was substantively revised and renamed in SF 457, section 18, effective July 15, 2020, pursuant to section 93. The entirety of the “crime services surcharge,” without regard to the obligee, is exempt from a collection fee. The exemption from a collection fee applies to amounts collected on the “crimes services surcharge,” which originated on July 15, 2020. This conclusion is consistent with current practice.

### *d. Domestic and Sexual Abuse Crimes Surcharge*

The domestic and sexual abuse crimes surcharge is set forth in section 911.2B. SF 367 (2021) amended Iowa Code section 602.8107(3) & (4) to exempt “a domestic and sexual abuse crimes surcharge” from a collection fee by IDR and county attorney collectors. To fully implement these changes, it is necessary to answer two questions:

Question 1: When did IDR and county attorney collectors stop getting a collection fee on payments toward “a domestic and sexual abuse crimes surcharge”?

Since IDR began collecting on January 1, 2021, and payments were reapplied January 1, 2022, consistent with SF 367, IDR was never entitled to a collection fee. SF 367, section 4 (indicating court debt that was exempt from a collection fee and requiring court debt payments made between January 1, 2021, and January 1, 2022, be reapplied to conform with new distribution requirements) and section 11 (providing that section 4 was effective January 1, 2022).

County attorney collectors stopped getting a collection fee on such payments distributed after June 30, 2021. SF 367, section 5 (amending the list of court debt that is exempt from a collection fee). See generally SF 367 for no special effective date (resulting in section 5 taking effect July 1, 2021).

Question 2: Which surcharges distributed on or after the effective date for exemption from a collection fee meet the requirement of a “domestic and sexual abuse crimes surcharge”?

All surcharges assessed pursuant to section 911.2B since 911.2B was enacted July 1, 2015, meet the requirement. In other words, the recipient of the proceeds of the surcharge under 911.2B receives the benefit of the exemption from the collection fee for all payments distributed on or after the effective date (for exemption from a collection fee) regardless of the date the surcharge was assessed.

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<sup>9</sup> See [Criminal Penalty Surcharge](#) for further detail.

<sup>10</sup> See [Proof of Responsibility \(Insurance\)](#) for further detail.

While the name of the surcharge has changed slightly since the code section was enacted in 2015 and since it was merged with the surcharge in section 911.2C in 2020 pursuant to SF 457, SCA concludes that the addition of the “domestic and sexual abuse crimes surcharge” includes all prior assessments under this code section because the legislature did not clearly indicate it intended to distinguish this surcharge from a prior version of the same surcharge. See 2015 Iowa Acts, ch. 96, section 15 (HF 585) (enacting section 911.2B).

This approach is different than the approach to the renamed surcharge under section 911.1, which was the criminal penalty surcharge and then became the crime services surcharge. In the case of the crime services surcharge, the prior version of the surcharge, the criminal penalty surcharge was previously on the list of exempt court debt, and it was stricken from that list. Additionally, and compellingly, the legislature included both the crime services surcharge and the criminal penalty surcharge in SF 367 on a list of court debt at Iowa Code section 602.8107(5)(b) that cannot be written off until 65 years from the date of imposition. See SF 367, bill section 6. On that list are surcharges that were repealed in SF 457 and the domestic and sexual abuse crimes surcharge, but no prior version of the domestic and sexual abuse crimes surcharge. Additionally, prior to SF 367, the domestic and sexual abuse crimes surcharge was not on the list of exempt court debt under another name, so it was not stricken. For these reasons, the domestic and sexual abuse crimes surcharge should be interpreted differently from the crime services and criminal penalty surcharge, which SCA treats as two separate surcharges despite originating under the same code section.

For cases in collections with IDR, this conclusion is consistent with current practice.

For cases in collections with county attorneys, this conclusion is consistent with current practice. However, prior to July 1, 2021, county attorney collectors were entitled to a collection fee on amounts collected toward the surcharge under 911.2B, but SCA programming did not provide county attorney collectors with a collection fee on such payments.

*e. Agricultural Theft Surcharge*

The agricultural theft surcharge is set forth in Iowa Code section 911.5. The agricultural theft surcharge was created in SF 457. See bill section 21. SF 457 also provided that a collection fee for county attorneys was not available. See bill section 10. Both of these provisions took effect July 15, 2020. See bill section 93.

Payments toward the agricultural theft surcharge are not subject to, and have never been subject to, a collection fee when the case is in collections with IDR or county attorneys.

This conclusion is consistent with current practice.

*f. Sex Offender Civil Penalty*

The sex offender civil penalty is set forth in Iowa Code section 692A.110. Payments toward the sex offender civil penalty are not subject to a collection fee when the case is in collections with IDR or county attorneys.

For IDR collections, this exemption from a collection fee was effective January 1, 2022, and applied to payments made beginning January 1, 2021, when IDR began collecting. See SF 367, bill sections 4 and 11. This conclusion is consistent with current practice.

For county attorney collections, this provision pre-existed SF 457 in Code 2020 and earlier. Current programming is not consistent with this approach for county attorney collectors. See the [sex offender civil penalty section](#) below for further discussion.

## 2. Date Certain Court Debt Became Ineligible for IDR Collection Fee

SF 457 transferred court debt collections from a private debt collector to IDR effective January 1, 2021. See SF 457, Division XIV, sections 84-92. SF 457, bill section 87 (amending Iowa Code section 602.8107(3)) included the following new language: “The department of revenue may impose a fee established by rule to reflect the cost of processing which shall be added to the debt owed to the clerk of the district court.”

The following legislative session, the legislature passed SF 367, which notably changed the IDR collection fee from being added to the court debt balance to having the collection fee be a percentage of the court debt balance. This section of the bill was effective January 1, 2022, and the bill stated:

Sec. 4. Section 602.8107, subsection 3, Code 2021, is amended to read as follows:

### 3. *Collection by department of revenue.*

- a. ~~(4)~~ Thirty days after court debt has been assessed and full payment has not been received, or if an installment payment is not received within thirty days after the date it is due, the judicial branch shall assign a case to the department of revenue, unless the case has been assigned to the county attorney under paragraph ~~“e”~~ “d”.

~~(2) The department of revenue may impose a fee established by rule to reflect the cost of processing which shall be added to the debt owed to the clerk of the district court.~~

b. ~~(1) In addition, court debt which is being collected under an installment agreement pursuant to section 321.210B which is in default that remains delinquent shall remain assigned to the department of revenue if the installment agreement was executed with the department of revenue; or to the county attorney or county attorney’s designee if the installment agreement was executed with the county attorney or county attorney’s designee. The department of revenue shall receive fifteen percent of each court debt payment collected on cases assigned to the department of revenue for collection to reflect the cost of processing and the remaining eighty-five percent of such court debt collected shall be paid to the clerk of the district court for distribution under section 602.8108. ***The department of revenue collection fee shall not include the amount of court debt collected for restitution involving pecuniary damages, the victim compensation fund, the crime services surcharge, the domestic and sexual abuse crimes surcharge, the agricultural surcharge, the sex offender*** *civil* *penalty.*~~

~~***(2) Payments made by a person under subparagraph (1) between January 1, 2021, and January 1, 2022, including any portion of the payment applied to the department of revenue’s processing fee, shall be reapplied as if no department of revenue processing fee had been added to the amount owed. The department of revenue shall be allocated a portion of such payments pursuant to subparagraph (1).*** If a payment made by a person owing court debt between January 1, 2021, and January 1, 2022, reduces the person’s total amount of court debt owed to zero, the clerk of the district court shall issue a refund to the person in the amount attributable to the processing fee added to the court debt. This subparagraph is repealed on January 1, 2023. . . .~~

SF 367, bill section 4, amending Iowa Code § 602.8107(3)(a) & (b) (emphasis added in bold); bill section 11(1) (providing the effective date).

A possible interpretation of the above provision is that IDR was entitled to a collection fee on all court debt in 2021 because the provision of the section adding the list of ineligible debt for a collection fee was not effective until January 1, 2022, and the reapplication of payments from 2021 in 2022 only changed the way the fee was calculated (from 15% added to the court debt to 15% from within the court debt payment). SCA recognizes this as a possible interpretation but does not think it is the best interpretation.

**The best interpretation of the transition provision in SF 367 is to treat the following two provisions as a package: (1) change of the collection fee from 15% on top of the court debt balance to 15% of the court debt balance, and (2) the addition of the list of ineligible debt.** The provision stating “*the department of revenue shall be allocated a portion of such payments pursuant to subparagraph (1)*” can, should be, and was interpreted as applying not only to the change in the calculation of the collection fee but also the prohibition on IDR receiving a collection fee on ineligible court debt. SF 457 patterned IDR collections after private debt collector collection by increasing the court debt balance to provide for the fee. SF 367 patterned IDR collections after county attorney collections by requiring the collection fee to come from the court debt balance. County attorney collections also have a list of ineligible court debt—payments toward which collectors do not receive a fee. Current programming is consistent with this interpretation and no changes are needed.

It would be inconsistent with the statutory framework to treat the converted 2021 payments as subject to an IDR collection fee but to allow IDR to take a collection fee from amounts owed to all types of court debt, including pecuniary damages and other ineligible debt.

### 3. Amount Ineligible for Collection Fee by County Attorney, but Eligible for IDR: Collected Through Setoff Under Section 421.65 (Previously Section 8A.504)

Iowa Code section 602.8107(4)(a) (2024) provides that county attorney collectors do not get a collection fee on “amounts collected . . . under section 421.65.” Iowa Code section 602.8107(3) does not include “amounts collected . . . under section 421.65” as ineligible for the Iowa Department of Revenue to receive a collection fee on. Thus, it appears that IDR is entitled to receive a collection fee on amounts collected under section 421.65, but county attorneys are not.<sup>11</sup>

**The key question is what does “amounts collected . . . under section 421.65” refer to? SCA concludes that this phrase refers to amounts collected pursuant to the setoff system operated by the Iowa Department of**

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<sup>11</sup> In addition to section 602.8107(3), the IDR collection fee provision, notably omitting “amounts collected pursuant to section 8A.504,” which appeared in the county attorney collector provision, SF 367 created the list of court debt that was not subject to a collection fee in juxtaposition of the IDR rule that preceded it. The IDR rule prohibited IDR from receiving a collection fee on court debt that was assigned to it for collections, but for which the payment was recovered through setoff. Specifically, SF 367 repealed the following rule and replaced it in Iowa Code with the content of section 602.8107(3):

**155.1(1)** A fee of 15 percent of the amount of each court debt is imposed on each court debt that has been assigned to the department for collection under Iowa Code section 602.8107(3). The total balance of the court debt shall be adjusted to include the fee. Notwithstanding the foregoing, ***no fee shall be imposed on any amount of a court debt that is collected by setoff*** or is reduced or adjusted by the court as a result of community service, a reasonable ability to pay determination, or any other reason.

**155.1(2)** The fee imposed by this rule shall be payable to the department to reimburse the department’s cost of processing.

701 Iowa Administrative Code r. 155.1 (emphasis added).

**Revenue.** Iowa Code section 421.65(2) refers to the “department” of revenue as the actor and specifically provides that:

[t]he department shall establish and maintain a procedure to set off against each public payment any qualifying debt the obligor owes to a public agency.

The definition of “public agency does include the clerk of the district court as it relates to the collection of qualifying debt” and “public payment means any claim a public agency owes to an obligor.” Nevertheless, Iowa Code section 421.65 only applies to the setoff system operated by IDR and does not apply to a penitentiary offset or clerk offset pursuant to section 602.8103(6). The setoff system in Iowa Code section 602.8103(6) is separate from and not a subset of section 421.65. Similarly, the penitentiary offset is authorized by section 904.702, not section 421.65. Thus, for cases in collection with IDR, these code provisions and the analysis support the conclusion that IDR receive a collection fee of 15% on amounts collected through the IDR setoff system but does not support the conclusion that IDR receive a 15% collection fee on amounts collected through clerk offset or penitentiary offset.

The setoff system was only recently transferred to the Iowa Department of Revenue effective November 13, 2023.<sup>12</sup> Before that it was handled by the Department of Administrative Services and Iowa Code section 602.8107(4)(a) (2023) referred to “amounts collected under section 8A.504.” The question pre-November 13, 2023, was similar and it had a similar answer. **What did “amounts collected under section 8A.504” mean?** A possible interpretation of that phrase and its impact was that it referred to not only amounts collected through the offset system operated by the DAS, but also the penitentiary offset system and clerk offset. SCA concludes that although that is not 100% clear, it is not the best interpretation. **SCA concludes that the bold phrase above referred to the amounts collected pursuant to the offset system operated by the Department of Administrative Services.** The effect of that interpretation is that IDR, but not county attorney collectors, would receive a collection fee for amounts collected through the DAS offset system. This provision did not entitle IDR to a collection fee on amounts collected through clerk offset or penitentiary offset.

This phrase did not encompass amounts collected through clerk offset or penitentiary offset because section 8A.504 requires that the system be operated by the “collection entity” and neither the clerk offset nor the penitentiary offset meet the definition of collection entity. Specifically, section 8A.504(2) stated:

The collection entity shall establish and maintain a procedure to set off against any claim owed to a person by a public agency any liability of that person owed to a public agency . . . or such other qualifying debt.

Iowa Code section 8A.504(1)(a) defined “collection entity” as

the department of administrative services and any other public agency that maintains a separate accounting system and elects to establish a debt collection setoff procedure for collection of debts owed to the public agency.

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<sup>12</sup> 2020 Iowa Acts Ch. 1064 transferred the setoff system from the Department of Administrative Services to the Department of Revenue. The transfer of the setoff system took effect when the administrative rules implementing the bill take effect, which was November 13, 2023. See 2020 Iowa Acts, ch. 1118, section 73; IAB Vol. XLVI, No. 7, (10/4/23) p. 1336, ARC 7080C. Once the bill took effect, county attorneys were not entitled to a collection fee for amounts collected under section 421.65. See 2020 Iowa Acts Ch. 1064, section 24 (amending section 602.8107(4)(a) to strike section “8A.504” and add section “421.65”).

SCA rejects the interpretation that section 8A.504 authorized or governed clerk offset or penitentiary offset because neither clerk offset nor penitentiary offset met the definition of “collection entity.” The judicial branch, including the clerk of court offices, did not meet the definition of a collection entity because the judicial branch does not maintain a separate accounting system. SCA does not know whether the penitentiaries or the department of corrections have a separate accounting system; however, penitentiaries are not acting pursuant to an optional “debt collection setoff procedure”—rather, section 904.702(1) requires the director of the department of corrections to deduct from the inmate account an “amount established by the inmate’s restitution plan of payment,” as well as other debt such as child support.

**In conclusion, county attorney collectors are not entitled to a collection fee on amounts collected through IDR setoff under section 421.65 and previously had not been entitled to a collection fee on amounts collected through DAS offset under section 8A.504. In contrast, by omission IDR is currently entitled to collection fee amounts collected through IDR setoff and previously through DAS offset.** These provisions do not speak to whether a collection fee applies when court debt payments are received through clerk offset and penitentiary offset.

This conclusion is consistent with current practice.

### III. Issues Discussed in NCSC Report

#### A. Criminal Fines: Collection Fee and Distribution

##### Issue

Whether criminal fines which meet the criteria of Iowa Code section 602.8106(4)(b) are being distributed properly.<sup>13</sup>

##### What does the law require?

Iowa Code section 602.8106(4)(b) states:

- b. The fine amount for a violation that occurred within the boundaries of the county shall be distributed as follows:
  - (1) Ninety-one percent to the state court administrator.
  - (2) Nine percent to the county treasurer for deposit in the county general fund where the violation occurred.

First, criminal fines are not on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, if the case is in collections, the payment toward a criminal fine is subject to a collection fee. *Id.*; see also [Collection Fee Analysis: Collection Fee on Eligible Court Debt](#).

Second, the above language in Iowa Code section 602.8106(4)(b) was effective July 15, 2020, pursuant to SF 457. It provides that after the collection fee(s) are deducted from the payment toward the criminal fine, 9% shall be distributed to the county where the violation occurred and the other 91% shall be distributed to the SCA.

Third, effective July 15, 2020, pursuant to SF 457, Iowa Code section 602.8108(4) requires the SCA to deposit 98.7% of the above amount it receives in the state general fund and 1.3% in the emergency medical services fund. *See* Iowa Code § 602.8108(4) (“Of the amount received from the clerk, the state court administrator shall

<sup>13</sup> This issue is addressed in section 4.3.1 in the NCSC report.



allocate and deposit one and three-tenths percent in the emergency medical services fund in section 135.25 and shall allocate and deposit the remainder in the general fund of the state.”).

**How does the programming currently operate?**

**For cases not in collections,** the programming currently operates as the law requires.

**For cases in collections with IDR,** the programming currently operates as the law requires.

**For cases in collections with a county attorney collector, the programming is distributing the requisite collection fee(s) to the county and county attorney on a payment toward a criminal fine consistent with Iowa Code section 602.8107(4)(b), but the distribution of the remainder of the payment is incorrect.**

The programming is not distributing the remainder of the fine 91% to the State Court Administrator and 9% to the county where the violation occurred. Rather, all of the remainder has been distributed to the SCA who has distributed it 100% to the state general fund.

The county has not been receiving its 9% of the fine. Additionally, the emergency medical services fund is not receiving 1.3% of the 91% allocated to the State Court Administrator. The result is that counties and the emergency medical services fund have received less money than they are entitled to, and the state general fund has received more money than it is entitled to.

As reflected in the below table, this programming distribution issue is limited to cases in collection with county attorneys; distribution is occurring accurately for cases that are not in collections and cases that are in collections with IDR.

**Note Re: County Attorney Collection Programming:** *SCA has realized that the programming framework of the distribution of court debt when in collections with county attorneys is fundamentally wrong. While the lack of precision under the prior statutory framework resulted in affected parties receiving similar amounts as they would receive under accurate programming, the new framework put into place by SF 457 resulted in a great difference between what the statute required and what obligees received. SCA is committed to remedying the framework to ensure prospective accurate distribution and is seeking guidance on how far back to review the distribution and calculate prior misdistributions.*

**Conclusion:** For cases in collections with county attorney collectors, the programming for distribution of fines has been inconsistent with what the law requires since before July 15, 2020, and should be modified to comply with the requirements of the law set forth here.

The following table also conveys how SCA concludes that this court debt should be distributed, the current programming, and how the current distribution needs to change.

**Basic Table Description with \$100 Payment Example:**

<b>Distribution of Criminal Fines Pursuant to Section 602.8106(4)(b)</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>			
Type of Collector	Collection Fee <b>602.8107 (3) &amp; (4)</b>	County General Fund (9% of fine payment) <sup>14</sup> <b>602.8106(4)(b)(2)</b>	State Court Administrator (SCA) (91% of fine payment) <sup>15</sup> <b>602.8106(4)(b)(1)</b>  SCA Distribute = Emergency Medical Services (EMS) + State General Fund (SGF) <b>602.8108(4)<sup>16</sup></b>
Not at Collections	\$0.00	\$9.00	SCA: \$91.00 = EMS: \$1.18 + SGF: \$89.82
IDR	\$15 to IDR	\$7.65	SCA: \$77.35= EMS: \$1.01 + SGF: \$76.34
County Attorney before threshold	\$28 to County	\$6.48	SCA: \$65.52 = EMS: \$.85 + SGF: \$64.67
		Current: \$0; need to increase from funds currently going to SGF.	Current: \$0 to EMS and \$72 to SGF; need to increase EMS from SGF and decrease SGF.
County Attorney after threshold	\$28 to County  \$5 to County Atty	\$6.03	EMS: \$0.79  SGF: \$60.18
		Current: \$0; need to increase.	Current: \$0 to EMS and \$67 to SGF; need to increase EMS from SGF and decrease SGF.

**Detailed Description with Required Programming Changes**

Not at Collections: No changes needed.

IDR Collections (effective 01/01/2021): No changes needed.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
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<sup>14</sup> Amount remaining after collection fee multiplied by .09 to determine 9% of amount to county where violation occurred.

<sup>15</sup> Amount remaining after collection fee multiplied by .91 to determine 91% of amount to State Court Administrator for distribution.

<sup>16</sup> State Court Administrator shall distribute its 91% by multiplying 91% by .013 and providing that amount to the emergency medical services fund (“EMS”) and the state court administrator 91% amount minus the EMS amount equals the amount to be deposited into the state general fund.

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

\$100.00	CM2A	CM22: State General Fund (72%) CM24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receipting transaction type)
\$72.00	MH4A	MH42: State Court Administrator (91%) MH44: County General Fund (9%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM23	CM24: County General Fund (100%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

MH4A will disburse as:

- 1) MH42 (91%) in the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report and will be payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1); and
- 2) MH44 (9%) to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator will enter the amounts reported from the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report, from MH42, and their program generates the Cash Receipt for the Treasurer, which automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the "Fines" label pursuant to section 602.8108(4).

CM23 will disburse as CM24 to the County Attorney Collections line of the Four Column Report and will be payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$100.00	TC2A	TC22: State General Fund (67%) TC24: County General Fund (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC deposited in bank
\$100.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and
- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Payment Amount)</b>	<b>Payor type (receipting transaction type)</b>
\$67.00	MH4A	MH42: State Court Administrator (91%) MH44: County General Fund (9%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	TC23	TC24: County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$5.00	TC25	TC26: County Attorney	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$5.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

MH4A will disburse as:

- 1) MH42 (91%) in the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and will be payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1); and
- 2) MH44 (9%) to the County General Fund in the “County Fines” line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator will enter the amounts reported from the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report, from MH42, and their program generates the Cash Receipt for the Treasurer, which automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the "Fines" label pursuant to section 602.8108(4).

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

## B. Fees under Section 602.8106(4)(a): Collection Fee and Distribution

### Issue

Whether fees that meet the criteria under section 602.8106(4)(a) are properly distributed.<sup>17</sup>

### What does the law require?

First, fees are not on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, if the case is in collections, the payment toward fees is subject to a collection fee. *Id.*; see also Collection Fee Analysis: Collection Fee on Eligible Court Debt.

Second, Iowa Code section 602.8106(4)(a) provides that:

Except as provided in paragraph “b”, the clerk of the district court shall submit all other fines, fees, costs, and forfeited bail received from a magistrate to the state court administrator.

This provision should be read in light of 1) Iowa Code sections 602.8106(2) & (3), which provide respectively for the distribution of fines and forfeited bail to the city that was a plaintiff in any action and the fines and forfeited bail for violation of a county ordinance to the county, 2) section 602.8106(4)(b) which provides for the

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<sup>17</sup> This issue is addressed in section 4.3.2 in the NCSC report.

distribution of state fines, and 3) section 602.8108 which has other specific distribution requirements for certain types of court debt.

Additionally, Iowa Code section 602.8108(2) provides that “[e]xcept as otherwise provided, the clerk of the district court shall report and submit to the state court administrator, not later than the fifteenth day of each month, the fines and fees received during the preceding calendar month. Except as otherwise provided in this section, the state court administrator shall deposit the amounts received with the treasurer of state for deposit in the general fund of the state.”

Therefore, fees such as court costs and filing fees set forth in Iowa Code section 602.8106(1) shall be submitted to the state court administrator., who shall deposit the funds into the state general fund.

### **How does the programming currently operate?**

The programming currently operates as the law requires set forth above for all cases, regardless of whether the case is not in collections or the case is in collections with IDR or county attorney collectors. For cases in collections, the requisite collection fee is deducted prior to distribution.

However, the programming for county attorney collections results in the fee being listed as a fine in the cash receipts document, which accompanies the deposit to the state general fund. This is inaccurate labeling but is not a misdistribution of funds.

The scope of the legal review of this issue is limited to court costs and filing fees set forth in section 602.8106(1), which meet the criteria for distribution pursuant to 602.8106(4)(a).

Nevertheless, the issue described here exemplifies an overarching programming issue with court debt in collections with county attorney collectors. Due to an error in county attorney collections programming, when certain court debt that is due 100% to the state is in collections with a county attorney collector, the fin code switches to a generic county attorney fin code that mis-labels the type of court debt, but still distributes the court debt to the intended recipient: the State of Iowa. This issue is present in dozens of fin codes, which control the distribution of court debt.

### **Conclusion**

SCA should improve programming and/or reporting mechanisms to ensure that the fees are properly categorized as fees and not as fines when the case is in collections with county attorneys.

SCA will address this technical matter to have such court debt distributed the same way when it is in collections with a county attorney collector as it does when it is not in collections and when it is in collections with IDR.

Basic Table Description with \$100 Payment Example

<b>Distribution of Court Costs and Filing Fees Set Forth in Section 602.8106(1) Pursuant to Section 602.8106(4)(a)</b>		
Type of Collector	Collection Fee 602.8107(3) & (4)	Remainder to State Court Administrator to Deposit in State General Fund
Not at Collections	\$0	\$100.00
IDR	\$15 to IDR	\$85.00
County Attorney <u>before</u> threshold	\$28 to County	\$72.00
County Attorney <u>after</u> threshold	\$28 to County  \$5 to County Atty	\$67.00

Detailed Description with Required Programming Changes

Not at Collections: No changes needed.

IDR Collections (effective 01/01/2021): No changes needed.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	C831	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)
\$100.00	CM2A	CM22: State General Fund (72%) CM24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$28.00	C831	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$28.00	CM23	CM24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$72.00	C831	C832 - Court Revenue	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

CM23 is disbursed as CM24 to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) providing for a 28% collection fee to be paid to the county.

**County Attorney Collections (After Threshold):**

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$100.00	C831	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)
\$100.00	TC2A	TC22: State General Fund (67%) TC24: County (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and



## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$28.00	C831	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$5.00	C831	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$28.00	TC23	TC24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$5.00	TC25	TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$67.00	C831	Court Revenue	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

### C. Proof of Financial Responsibility (Insurance)

#### Issue

Whether fines for violations under Iowa Code section 805.8A(14)(f) (Proof of Financial Responsibility) are properly distributed.<sup>18</sup>

<sup>18</sup>This issue is addressed in section 4.3.3 in the NCSC report.

**What does the law require?**

First, fines are not on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, if the case is in collections, the payment toward fines for violations under Iowa Code section 805.8A(14)(f) is subject to a collection fee. *Id.*; see also [Collection Fee Analysis: Collection Fee on Eligible Court Debt](#).

Second, Iowa Code section 805.8A governs motor vehicle and transportation scheduled violations. Specifically, Iowa Code section 805.8A(14)(f) states:

Proof of financial responsibility. If, in connection with a motor vehicle accident, a person is charged and found guilty of a violation of section 321.20B, subsection 1, the scheduled fine is six hundred forty-five dollars; otherwise, the scheduled fine for a violation of section 321.20B, subsection 1, is three hundred twenty-five dollars. Notwithstanding section 805.12, fines collected pursuant to this paragraph shall be submitted to the state court administrator and distributed fifty percent to the victim compensation fund established in section 915.94, twenty-five percent to the county in which such fine is imposed, and twenty-five percent to the general fund of the state.

(Emphasis added).

This provision notwithstanding section 805.12, which states:

Fines, forfeiture of bail, fees, and costs collected for all traffic violations, whether or not scheduled, and for all other scheduled violations shall be distributed in accordance with section 602.8106.

By “notwithstanding section 805.12,” Iowa Code section 805.8A provides the exclusive direction on distribution for this scheduled violation and provides that the distribution of fines set forth in Iowa Code section 602.8106(4)(b) (91% to the state and 9% to the county) does not apply. Thus, there is no conflict between the two Code sections requiring harmonization.

Iowa Code section 805.8A(14)(f) requires that “fines collected pursuant to this paragraph shall be . . . distributed”:

- 1) 50% to the victim compensation fund;
- 2) 25% to the county where the fine is imposed; and
- 3) 25% to the state general fund.

SCA concluded that the portion of this fine that is statutorily required to be distributed to the victim compensation fund is not subject to a collection fee because “victim compensation fund” is identified in sections 602.8107(3)(b) & 4(a) on the lists of court debt that are not subject to a collection fee. For further explanation, [see II. Collection Fee Analysis, C. No Collection Fee on Ineligible Court Debt, 1. Ineligible court debt for both IDR and county attorney collections: Victim Compensation Fund](#).

With that understanding, when a case is in collection and payment is paid toward a fine pursuant to Iowa Code section 805.8A(14)(f), first the 50% owed to the victim compensation fund should be distributed in entirety to the victim compensation fund. Then, a collection fee should be deducted from the other 50%. Finally, the remaining amount (50% of the payment minus a collection fee) should be distributed 50% to the county where the fine is imposed and 50% to the state general fund.

**How does the programming currently operate?**

**For cases not in collections,** the programming currently operates as the law requires.

**For cases in collections with IDR,** the programming currently operates as the law requires.

**For cases in collections with county attorney collectors,** current programming provides:

- 1) If the threshold has not been met, then
  - a. 28% to the county and
  - b. 72% to the state general fund.
- 2) If the threshold has been met, then
  - a. 28% to the county,
  - b. 5% to the county attorney, and
  - c. 67% to the state general fund.

This programming is providing too little to the victim compensation fund, too much to the state general fund, too much to the county and county attorney as a collection fee, and not enough to the county where the fine was imposed for meeting that criterion.

**Conclusion**

Cases in collections with county attorneys will need to be programmed to first distribute 50% to the victim compensation fund, then deduct a collection fee from the other 50%, and distribute the remainder 50% to the county where the fine was imposed, and 50% to the state general fund. This error pre-existed SF 457. Programming should have been this way before and after SF 457.

The following table also conveys how this court debt should be distributed, the current programming, and how the current distribution needs to change.

**Basic Table Description with \$100 Payment Example**

<b>Distribution of Fine for Violation of Proof of Financial Responsibility</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>				
Type of Collector	Collection Fee <sup>19</sup> <b>602.8107(3) &amp; (4)</b>	50% to Victim Compensation Fund (VCF) <sup>20</sup> <b>805.8A(14)(f)</b>	25% to County where such fine is imposed <sup>21</sup> <b>805.8A(14)(f)</b>	25% to the State General Fund (SGF) <sup>22</sup> <b>805.8A(14)(f)</b>
Not at Collections	\$0.00	\$50.00	\$25.00	\$25.00
IDR	\$7.50 to IDR	\$50.00	\$21.25	\$21.25
County Attorney before threshold	\$14 to County	\$50.00	\$18.00	\$18.00
	Currently providing \$28 to County as collection fee; need to decrease.	Currently distributing \$0 to VCF; need to increase from collection fee and SGF.	Currently distributing \$0 to county; need to increase from collection fee and SGF.	Currently distributing \$72 to the SGF; need to decrease.
County Attorney after threshold	\$14 to County \$2.50 to County Atty	\$50.00	\$16.75	\$16.75
	Currently providing \$28 to County and \$5 to County attorney as collection fees; need to decrease.	Currently distributing \$0 to VCF; need to increase from collection fee and SGF.	Currently distributing \$0 to county; need to increase from collection fee and SGF.	Currently distributing \$67 to the SGF; need to decrease.

**Detailed Description with Required Programming Changes**

Not at Collections: No changes needed.

IDR Collections (effective 01/01/2021): No changes needed.

<sup>19</sup> The collection fee applies to the amount of the money required to be distributed to the county where the fine is imposed and to the state, but the collection fee shall not apply on the money required to be distributed to the victim compensation fund.

<sup>20</sup> 50% of the payment shall be distributed to the victim compensation fund in entirety; a collection fee shall not be deducted.

<sup>21</sup> 25% of the payment shall be subject to a collection fee and the remainder shall be distributed to the county where the fine was imposed.

<sup>22</sup> 25% of the payment shall be subject to a collection fee and the remainder shall be distributed to the state general fund.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of payment amount)	Payor type (receipting transaction type)
\$100.00	CM2A	CM22: State General Fund (72%) CM24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CM8A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of payment amount)	Payor type (receipting transaction type)
\$50	CM81	CM82: Victim Compensation Fund (50%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$18	CM83	CM84: State General Fund (18%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$18	CM85	CM86: County (18%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$14	CM23	CM24: County (14%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$7.00	CM83	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$7.00	CM85	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM81 will disburse as CM82 - (50%) and is reported in the Fine-Driving No Proof of Insurance line of the Four Column Report and deposited into victim compensation fund (which is labeled “the Cr Pen Surcharge - VC fund,” on four column report) with the state treasurer.

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

CM83 will disburse as CM84 - (18%) (Fine-Driving-No Proof of Insurance-Gen Fund) amount is reported in the Fines, Infractions, Law Surcharge, Civil Penalty line of the Four Column Report and is deposited into the state general fund.

CM85 will disburse as CM86 - (18%) (Fine-Driving-No Proof of Insurance-Co Split) amount is reported in the County Infractions - Penalties/Fines line of the Four Column Report and is payable to the county.

CM23 will disburse as CM24 (14%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of payment amount)</b>	<b>Payor type (receipting transaction type)</b>
\$100.00	CM8A	None	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)
\$100.00	TC2A	TC22: State General Fund (67%) TC24: County (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and
- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of payment amount)</b>	<b>Payor type (receipting transaction type)</b>
\$50	CM81	CM82: Victim Compensation Fund (50%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$16.75	CM83	CM84: State General Fund (16.75%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

\$16.75	CM85	CM86: County (16.75%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$14	TC23	TC24: County (14%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$2.5	TC25	TC26: County Attorney (2.5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$7.00	CM83	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$1.25	CM83	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$7.00	CM85	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$1.25	CM85	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM81 will disburse as CM82 - (50%) and is reported in the Fine-Driving No Proof of Insurance line of the Four Column Report and deposited into victim compensation fund (which is labeled “the Cr Pen Surcharge - VC fund,” on four column report) with the state treasurer.

CM83 will disburse as CM84 - (16.75%) (Fine-Driving-No Proof of Insurance-Gen Fund) amount is reported in the Fines, Infractions, Law Surcharge, Civil Penalty line of the Four Column Report and is deposited into the state general fund.

CM85 will disburse as CM86 - (16.75%) (Fine-Driving-No Proof of Insurance-Co Split) amount is reported in the County Infractions - Penalties/Fines line of the Four Column Report and is payable to the county.

TC23 will disburse as TC24 (14%) to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 will disburse as TC26 (2.5%) to the County Attorney Collections line of the Four Column Report and will be owed the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

## D. Littering Citations

### Issue

Whether fines issued pursuant to Iowa Code sections 321.369, 321.370, and 461A.43 (“littering citations”) are properly distributed.<sup>23</sup>

### What does the law require?

First, fines are not on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, if the case is in collections, the payment toward a fine issued for a littering citation pursuant to Iowa Code section 321.369,<sup>24</sup> 321.370,<sup>25</sup> or 461A.43<sup>26</sup> is subject to a collection fee. *Id.*; see also [Collection Fee Analysis: Collection Fee on Eligible Court Debt](#).

Second, two provisions control how the clerk shall distribute this court debt: section 602.8108(9) and section 805.12, which requires distribution in accordance with section 602.8106.

Iowa Code section 602.8108(9) states:

The state court administrator shall allocate fifty percent of all of the fines attributable to littering citations issued pursuant to sections 321.369, 321.370, and 461A.43 to the treasurer of state for deposit in the general fund of the state and such moneys are appropriated to the state department of transportation for purposes of the cleanup of litter and illegally discarded solid waste.

These littering citations issued pursuant to the aforementioned Code sections are all punishable as scheduled violations. *See* Iowa Code §§ 805.8A(14)(d) (indicating the amount of the scheduled fine for violations under sections 321.369 and 321.370) and 805.8B(6)(e) (indicating the amount of the scheduled fine for violations under section 461A.43). Iowa Code section 805.12 states:

Fines, forfeiture of bail, fees, and costs collected for **all traffic violations**, whether or not scheduled, and **for all other scheduled violations** shall be distributed in accordance with **section 602.8106**.

Because violations of sections 321.369, 321.370, and 461A.43 are required to be distributed both in accordance with section 602.8108(9) to the general fund (and appropriated to the Iowa Department of Transportation (DOT)) and distributed in accordance with section 805.12, these provisions need to be harmonized. Section 602.8108(9) is the more specific provision, so it is given full effect.

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<sup>23</sup> This issue is addressed in section 4.3.4 in the NCSC report.

<sup>24</sup> “**321.369 Putting debris on highway.**

A person shall not throw or deposit upon a highway any glass bottle, glass, nails, tacks, wire, cans, trash, garbage, rubbish, litter, offal, or any other debris. A person shall not throw or deposit upon a highway a substance likely to injure any person, animal, or vehicle upon the highway. A person who violates this section or section 321.370 commits a misdemeanor punishable as a scheduled violation under section 805.8A, subsection 14, paragraph “d”.”

<sup>25</sup> “**321.370 Removing injurious material.**

Any person who drops, or permits to be dropped or thrown, upon any highway any destructive or injurious material and other material as defined in section 321.369 shall immediately remove the same or cause it to be removed.”

<sup>26</sup> “**461A.43 Littering grounds.**

No person shall place any waste, refuse, litter or foreign substance in any area or receptacle except those provided for that purpose.”



## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Iowa Code section 602.8108(9) only indicates what the SCA should do with 50% of the fines for the littering citations. Iowa Code section 805.12 controls the remainder of the distribution, and it provides that section 602.8106 applies. Iowa Code section 602.8106(4)(b) provides that:

The fine amount for a violation that occurred within the boundaries of the county shall be distributed as follows:

- (1) Ninety-one percent to the state court administrator.
- (2) Nine percent to the county treasurer for deposit in the county general fund where the violation occurred.

Finally, Iowa Code section 602.8108(4) provides that the state court administrator should take the 91% it has received under Iowa Code section 602.8106(4)(b) and allocate 1.3% to the emergency medical services fund and the remainder to the state general fund.

### **How does the programming currently operate?**

**For cases not in collections**, amounts collected distribute 50% to the DOT littering fund and 50% to the state general fund. There is no distribution of 91% to the state general fund and 9% county and there is no allocation to the emergency medical services fund.

**For cases in collections with IDR**, 15% is distributed to IDR for their collection fee and the remaining 85% is distributed equally (42.50% each) to the DOT littering fund and the state general fund. There is no distribution of 91% to the state general fund and 9% to the county and there is no allocation to the emergency medical services fund.

**For cases in collections with county attorney collectors**, the amounts collected are distributed 28% to the county general fund, 72% to the state general fund (or 28% to the county general fund, 5% to the county attorney and 67% to the state general fund). There is no distribution of 91% to the state general fund and 9% to the county and no allocation to the DOT littering fund or the emergency medical services fund.

Regardless of whether a case is in collections or not or if it is in collections with IDR or county attorneys, current programming for littering citations is incorrect.

### **Conclusion**

Programming should be adjusted as follows. First, a collection fee should be subtracted from the fine payment if the case is in collections. Second, the SCA shall distribute 50% of the remainder of the fine to the state general fund for an appropriation to DOT and the remaining 50% of the fine shall be distributed 91% to the SCA and 9% to the county. Third of the 91% to the State Court Administrator, the SCA shall deposit 1.3% in the emergency medical services fund and the remainder into the state general fund.

The following table also conveys how this court debt should be distributed, the current programming, and how the current distribution needs to change.

**Basic Table Description with \$100 Payment Example**

<b>Distribution of Fine for Violation of Littering Citations</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>					
Type of Collector	Collection Fee <b>602.8107 (3) &amp; (4)</b>	50% to State General Fund and then to DOT <b>602.8108(9)</b>	50% Per <b>602.8106 805.12</b>	County General Fund (9% of Fine Payment) <sup>27</sup> <b>602.8106(4)(b)</b>	SCA (91% of Fine Payment) <sup>28</sup> <b>602.8106(4)(b)</b>  SCA distribute: Emergency Medical Services (EMS) + State General Fund (SGF) <b>602.8108(4)</b> <sup>29</sup>
None	\$0.00	\$50.00	\$50.00	\$4.50	SCA: \$45.50 = EMS: \$.59 + SGF: \$44.91
				Current: \$0 to CGF; need to increase.	Current: \$50 to SGF and \$0 to EMS; need to decrease SGF & increase EMS.
IDR	\$15 to IDR	\$42.50	\$42.50	\$3.83	SCA: \$38.68 = EMS \$0.50 + SGF: \$38.18
		Current: \$0 to DOT; need to increase from SGF.		Current: \$0 to CGF; need to increase from SGF.	Current: \$42.50 to the SGF and \$0 to EMS; need to decrease SGF & increase EMS from SGF.
County Attorney before threshold	\$28 to County	\$36.00	\$36.00	\$3.24	SCA: \$32.76 = EMS: \$.43 + SGF: \$32.33
		Current: \$0 to DOT; need to increase from SGF.		Current \$0 to CGF; need to increase from SGF.	Current: \$72 to the SGF and \$0 to EMS; need to decrease SGF and increase EMS from SGF.
County Attorney after threshold	\$28 to County; \$5 to County Atty	\$33.50	\$33.50	\$3.02	SCA: \$30.49 = EMS: \$.40 + SGF: \$30.09
		Current: \$0 to DOT; need to		Current: \$0 to CGF; need to increase from SGF.	Current: \$67.00 to SGF and \$0 to EMS; need to decrease SGF and increase EMS from SGF.

<sup>27</sup> Remaining 50% multiplied by .09% to determine 9% of fine amount to county.

<sup>28</sup> Remaining 50% multiplied by .91% to determine 91% of fine payment of amount to State Court Administrator.

<sup>29</sup> SCA shall distribute its 91% by multiplying 91% by .013 and providing that amount to the Emergency Medical Services Fund and the SCA 91% amount minus the EMS amount equals the amount to be deposited in the state general fund.

		increase from SGF.			
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Detailed Description with Required Programming Changes

Not at Collections:

**Currently: \$100 receipt on a case that is not in collections creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	CM7A	CM72: State General Fund (50%) CM74: DOT Littering Fund (50%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

CM7A (Fine-Littering/Discarding Waste) is distributed as:

- 1) CM72 (Fine- Littering/Discarding Waste) (50% of the receipted amount) and is reported in the Fines, Infractions, Law Surcharge, Civil Penalty line of the Four Column Report and is deposited into the state general fund.
- 2) CM74 (Fine- Littering/Discarding Waste-DOT Split) (50% of the receipted amount) and is reported in the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.

**After Programming Fix: \$100 receipt on case that is not collections will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	CM7A	CM74: DOT Littering Fund (50%) CM76: State Court Administrator (45.5%) CM78: County General Fund (4.5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

CM7A (Fine-Littering/Discarding Waste) is disbursed as:

- 1) CM74 (Fine- Littering/Discarding Waste-DOT Split) (50% of the receipted amount) and is reported in the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.
- 2) CM76 (Fine-Littering/Discarding Waste – State – 602.8104(4)(b)) for 45.5% of the receipted amount and is reported in the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and is payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1).
- 3) CM78 (Fine-Littering/Discarding Waste – County – 602.8106(4)(b)) for 4.5% of the receipted amount to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator enters the amounts reported from the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1),” which is #2 above, line of the Four Column Report and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .013 for Emergency Medical

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

Services Fund and the remainder goes into the State General Fund under the “Fines” label pursuant to section 602.8108(4).

IDR Collections (effective 01/01/2021):

**Currently: \$100 receipt on a case in collections with IDR creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$85.00	CM7A	CM72: State General Fund (42.5%) CM74: DOT Littering Fund (42.5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	SK11	Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	CM7A	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)

CM7A (Fine-Littering/Discarding Waste) is disbursed as:

- 1) CM72 (Fine- Littering/Discarding Waste)(42.5% of the receipted amount) to the Fines, Infractions, Law Surcharge, Civil Penalty line of the Four Column Report and is deposited into the state general fund.
- 2) CM74 (Fine- Littering/Discarding Waste-DOT Split)(42.5% of the receipted amount) to the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

**After Programming Fix: \$100 receipt on a case in collections with IDR will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$85.00	CM7A	CM74: DOT Littering Fund (42.5%) CM76: SCA (38.67%) CM78: County General Fund (3.83%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	SK11	Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	CM7A	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

CM7A (Fine-Littering/Discarding Waste) fin code will disburse as:

- 1) CM74 (Fine- Littering/Discarding Waste-DOT Split) (42.5%) to the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.
- 2) CM76 (Fine-Littering/Discarding Waste – State – 602.8104(4)(b)) (38.67%) to the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and is payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1).
- 3) CM78 (Fine-Littering/Discarding Waste – County – 602.8106(4)(b)) (3.83%) to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).
- 4) The State Court Administrator enters the amounts reported from the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line, which is #2 above, line of the Four Column Report and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the “Fines” label pursuant to section 602.8108(4).

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receipting transaction type)
\$100.00	CM2A	CM22: State General Fund (72%) CM24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CM7A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
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2023 Review of Court Debt Practices and Procedures and Statutory Requirements

\$72.00	CM7A	CM74: DOT Littering Fund (36%) CM76: State Court Administrator (32.76%) CM78: County General Fund (3.24%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM23	CM24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM7A	None	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM7A (Fine-Littering/Discarding Waste) fin code is disbursed as:

- 1) CM74 (36%) (Fine- Littering/Discarding Waste-DOT Split) is reported in the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.
- 2) CM76 (32.76%) (Fine-Littering/Discarding Waste - State - 602.8104(4)(b)) is reported in the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and is payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1).
- 3) CM78 (3.24%) (Fine-Littering/Discarding Waste - County - 602.8106(4)(b)) to the County General Fund in the “County Fines” line of the Four Column Report pursuant to section 602.8106(4)(b)(2). The State Court Administrator enters the amounts reported from the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the State General Fund under the "Fines" label pursuant to section 602.8108(4).
- 4) CM23 (28%) is disbursed as CM24 to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receiving transaction type)
\$100.00	TC2A	TC22: State General Fund (67%) TC24: County (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CM7A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and
- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receiving transaction type)</b>
\$67.00	CM7A	CM74: DOT Littering Fund (33.5%) CM76: State Court Administrator (30.48%) CM78: County (3.02%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	TC23	TC24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$5.00	TC25	TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM7A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$5.00	CM7A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM7A (Fine-Littering/Discarding Waste) is disbursed as:

- 1) CM74 (33.5%) (Fine- Littering/Discarding Waste-DOT Split) is reported in the Fine-Littering/Discarding Waste line of the Four Column Report and is deposited into the DOT Litter/Discard Waste fund with the state treasurer.
- 2) CM76 (30.48%) (Fine-Littering/Discarding Waste - State - 602.8106(4)(b)) is reported in the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and is payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1).
- 3) CM78 (3.02%) (Fine-Littering/Discarding Waste - County - 602.8106(4)(b)) to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator enters the amounts reported from the “Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1)” line of the Four Column Report and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the "Fines" label pursuant to section 602.8108(4).

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

### E. Sex Offender Civil Penalty

#### Issue

Whether the sex offender civil penalty is subject to a collection fee.<sup>30</sup>

#### What does the law require?

First, the sex offender civil penalty is on the lists of court debt that are exempt from a collection fee. *See* Iowa Code § 602.8107(3) & (4). The exemption from a county attorney collection fee pre-existed SF 457. The exemption from an IDR collection fee applies to payments made on or after January 1, 2021 (effective January 1, 2022, with SF 367). *See* [Collection Fee Analysis: Ineligible Court Debt for Both IDR and County Attorney Collections](#) and [Date Certain Court Debt Became Ineligible for IDR Collection](#).

Second, Iowa Code section 692A.110(2) provides in part: “the offender shall be assessed a civil penalty payable to the clerk of the district court as provided in section 602.8105 and distributed as provided in section 602.8108.”

Third, Iowa Code section 602.8108(10) provides that “[t]he clerk of the district court shall remit to the treasurer of state . . . all moneys collected from the sex offender civil penalty provided in section 692A.110 . . . . Of the amount received from the clerk, the treasurer of state shall allocate ten percent to be deposited in the court technology and modernization fund established in subsection 7. The treasurer of state shall deposit the remainder into the sex offender registry fund established in section 692A.119.”

#### How does the programming currently operate?

**For cases not in collections,** this issue does not apply.

**For cases in collection with IDR,** IDR does not receive a collection fee on court debt payments toward the sex offender civil penalty, which is consistent with what the law requires.

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<sup>30</sup> This issue is addressed in section 4.3.5 in the NCSC report.



**For cases in collections with county attorney collectors**, county attorneys receive a collection fee, which is contrary to what the law requires.<sup>31</sup>

The treasurer of state does not allocate 10% of the payments toward the sex offender civil penalty to the court technology and modernization fund, which is contrary to what the law requires.

**Conclusion**

SCA should change programming in county attorney collections to not take a collection fee from payments toward the sex offender civil penalty. Payments toward the sex offender civil penalty should be distributed the same without regard to whether the case is in collections or who it is in collections with.

The clerk shall distribute the moneys to the treasurer of state, who shall allocate 10% of the payment to be deposited in the court technology and modernization fund established in section 602.8108(7) and the remainder to the sex offender registry fund established in section 692A.119.

The following table also conveys how this court debt should be distributed, the current programming, and how the current distribution needs to change.

**Basic Table Description with \$100 Payment Example**

<b>Distribution of Sex Offender Civil Penalty</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>		
Type of Collector	Collection Fee <b>602.8107(3) &amp; (4)</b>	Clerk shall remit all funds to treasurer. Treasurer shall remit 10% to court technology and modernization fund and remainder to Sex Offender Registry Fund. <b>602.8108(10)</b>
Not at Collections	\$0.00	\$100.00
IDR	\$0.00	\$100.00
County Attorney <u>before</u> threshold	\$0.00	\$100.00
	Currently distributing \$28 to county as collection fee; need to eliminate.	Currently \$72 is going to the SGF; need 100% of \$100 to go to state treasurer, who shall distribute 10% to court technology and modernization fund and 90% to the Sex Offender Registry Fund.
County Attorney <u>after</u> threshold	County: \$0.00 County Attorney \$0.00	\$100.00

<sup>31</sup> Programming was changed in approximately February 2024, which stopped remitting a collection fee to county attorneys on the sex offender civil penalty.

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

	Currently distributing \$28 to county as collection fee and \$5 to county attorney as collection fee; need to eliminate.	Currently \$67 is going to the SGF; need 100% of \$100 to go to state treasurer, who shall distribute 10% to court technology and modernization fund and 90% to the Sex Offender Registry Fund.
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Detailed Description with Required Programming Changes

Not at Collections: No changes needed.

IDR Collections (effective 01/01/2021): No changes needed.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receiving transaction type)
\$100.00	CM2A	CM22: State General Fund (72%) CM24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CT11/ CT41	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receiving transaction type)
\$100.00	CT11/CT41	State Treasurer (100%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Both fin code CT11 (CIVIL PENALTY-SEX OFFENDER REGISTRY BEFORE 2009) and CT41 (CIVIL PENALTY-SEX OFFENDER REGISTRY AFTER 2009) are reported to the Civil Penalty - Sex Offender Registry line of the Four Column Report and are deposited into the Sex Offender Registry/Fine line that is deposited with the state treasurer.

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receiving transaction type)
\$100.00	CT11/CT41	NA	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)
\$100.00	TC2A	TC21: State General Fund (67%) TC24: County (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CT11/CT41	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and
- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

Payment Amount	Fin Code	Recipient Fin Code: Recipient (% of Payment Amount)	Payor type (receiving transaction type)
\$100.00	CT11/CT41	State Treasurer (100%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

Both fin code CT11 (CIVIL PENALTY-SEX OFFENDER REGISTRY BEFORE 2009) and CT41 (CIVIL PENALTY-SEX OFFENDER REGISTRY AFTER 2009) are reported to the Civil Penalty - Sex Offender Registry line of the Four Column Report and is deposited into the Sex Offender Registry/Fine line that is deposited with the state treasurer.

## F. Commercial Vehicle Enforcement Citations

### Issue

Whether the fines and fees attributable to commercial vehicle violation citations issued by personnel of the department of public safety are being properly distributed.<sup>32</sup>

**What does the law require?**

First, fines and fees are not on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, if the case is in collections, the payment toward fines and fees attributable to commercial vehicle citations issued by personnel of the Iowa Department of Public Safety (DPS) is subject to a collection fee. *Id.*; see also [Collection Fee Analysis: Collection Fee on Eligible Court Debt](#).

Second, a specific distribution provision applies to this type of court debt. Iowa Code section 602.8108(8) states:

The state court administrator shall allocate all of the fines and fees attributable to commercial vehicle violation citations issued by personnel of the department of public safety to the treasurer of state for deposit in the road use tax fund.

This provision pre-existed SF 457 and was present in Iowa Code 2020. Prior to July 1, 2023, the language was citations “issued by motor vehicle division personnel of the state department of transportation.” See 2023 Iowa Acts, ch. 85, section 22 (Senate File 513) This statutory change reflects that DOT commercial motor vehicle enforcement officers became Department of Public Safety officers and expands the pool of officers who have authority to issue tickets, but the provision requiring distribution to the treasurer of state for deposit in the road use tax fund did not change.

While SF 457 enacted Iowa Code section 602.8106(4)(b), which included most significantly a requirement to distribute fines 91% to the SCA and 9% to the county (amongst other requirements), it did not affect the pre-existing, more specific mandate in Iowa Code section 602.8108(8) that “[t]he state court administrator shall allocate ***all of the fines and fees*** attributable to commercial vehicle violation citations . . . to the treasurer of state for deposit in the road use tax fund.” This conclusion is based on the statutory principle that the more specific provision prevails over the more general provision. Furthermore, a review of the fiscal note for SF 457 does not include mention of a fiscal impact on the road use tax fund. As such, it does not appear that it was anticipated that SF 457 would affect this provision and thereby cause a fiscal impact on the road use tax fund.

**How does the programming currently operate?**

The programming currently utilizes citations with a “T” number, which were tickets with an agency code written by Department of Transportation commercial motor vehicle enforcement officers. Such “T” numbers ceased being used July 1, 2023 when commercial motor vehicle enforcement officers were brought into the Department of Public Safety.

**For cases not in collections**, fines from tickets written by a commercial motor vehicle officer distribute 9% to the county and 91% to the state general fund (which is further distributed by SCA: 1.3% to the emergency medical services fund and the remaining 98.7% to the state general fund). 0% is distributed to the treasurer of state for the road use tax fund.

**For cases in collections with IDR**, 15% of a fine from ticket written by a commercial motor vehicle officer is distributed to IDR for the collection fee and the remaining 85% is distributed 9% to the county and 91% to the

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<sup>32</sup> This issue is addressed in section 4.3.6 in the NCSC report.

state general fund (which is further distributed by SCA, 1.3% to the emergency medical services fund and the remaining 98.7% to the state general fund). 0% is distributed to the treasurer of state for deposit in the road use tax fund.

**For cases in collections with county attorney collectors,** the fine amounts collected from commercial motor vehicle officer tickets are distributed 28% to the county general fund, 72% to the state general fund (or after the threshold has been met, 28% to the county general fund, 5% to the county attorney, and 67% to the state general fund). 0% is distributed to the treasurer of state for deposit in the road use tax fund and there is no 91/9 allocation.

### **Conclusion**

Iowa Code section 602.8108(8) was subject to a collection fee both immediately before and after SF 457 to the present in cases that are in collection. Iowa Code section 602.8108(8) was unaffected by SF 457, and the entirety of the fines and fees attributable to commercial vehicle violation citations issued pursuant to section 602.8108(8) should have been distributed to the Road Use Tax Fund. Iowa Code section 602.8106(4)(b) does not apply. The programming for this issue is inconsistent with the conclusion in all circumstances: 1) for cases not in collections, 2) for cases in collections with IDR, and 3) cases in collections with county attorneys.

Additionally, the programming must also be updated to ensure that criteria of Iowa Code section 602.8108(8) are being accurately implemented.

The programming to distribute the moneys from the fine will require two criteria be met:

- 1) the violation must be a commercial vehicle violation citation and
- 2) the citation must be issued by personnel of the Department of Public Safety.

For the second criteria, SCA should obtain the agency codes necessary to program for citations issued by all personnel of the Department of Public Safety. The programming for the first criteria can be controlled by whether the officer checks the Commercial Motor Vehicle checkbox on the citation in TRACS. If a DPS officer checks the Commercial Motor Vehicle checkbox, then the information is loaded into the judicial branch case management system via ECCO and facilitates the judicial branch's distribution of the fine 100% to the Road Use Tax Fund (less any applicable collection fee if the case is in collections). The judicial branch will interpret the "commercial\_veh\_tp" flag in our table, which we believe pulls from the checked "Commercial Motor Vehicle" checkbox<sup>33</sup> on a citation as the necessary indication that criteria 1 is met.

This approach to the first criteria may be the best approach right now because the term "commercial vehicle violation citation" is not defined and Iowa Code section 602.8108(8) does not just apply to violations of enumerated code sections. However, it may not be the perfect solution and SCA will work with stakeholders who have subject matter expertise on the meaning of "commercial vehicle violation citation" and those agencies best positioned to help accurately implement this provision.

The current and proposed programming is only set to affect fines from commercial vehicle violation citations. No fees have been identified. SCA will work with stakeholders to determine if there are fees that meet this criterion and are subject to distribution to the Road Use Tax Fund.

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<sup>33</sup> This appears on the final ticket as "CDL Required? **Yes.**" which is filed to the court case.

The following table also conveys how this court debt should be distributed, the current programming, and how the current distribution needs to change.

**Basic Table Description with \$100 Payment Example**

<b>Distribution to Road Use Tax Fund Pursuant to 602.8108(8)</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>		
Type of Collector	Collection Fee <b>602.8107(3) &amp; (4)</b>	State Court Administrator to allocate to State Treasurer for Deposit in Road Use Tax Fund <b>602.8108(8)</b> <i>Note: 602.8106(4) does not apply</i>
Not at Collections	\$0.00	\$100.00
		<i>Current: \$9 to the county, \$91 to the state general fund (SGF) pursuant to 602.8106(4), but \$0 to RUTF; eliminate funding to county and SGF and distribute \$100 to RUTF.</i>
IDR	\$15 to IDR	\$85.00
		<i>Current: \$7.65 to the county, \$77.35 to the SGF pursuant to 602.8106(4), but \$0 to RUTF; eliminate funding to county and SGF and distribute \$85 to RUTF.</i>
County Attorney before threshold	\$28 to County	\$72.00
		<i>Current: \$72 to the SGF and \$0 to RUTF; eliminate funding to SGF and increase amount to RUTF to \$72.00.</i>
County Attorney after threshold	\$28 to County \$5 to County Atty	\$67.00
		<i>Current: \$67 to the SGF and \$0 to RUTF; eliminate funding to SGF and increase amount to RUTF to \$67.00.</i>

Detailed Description with Required Programming Changes

Not at Collections:

**Currently: \$100 receipt on a case that is not in collections creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Payment Amount)	Payor type (receipting transaction type)
\$100.00	MH4A	MH42: State Court Administrator (91%) MH44: County General Fund (9%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

MH4A disburses as:

- 1) MH42 (91%) in the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report and will be payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1); and

**2023 Review of Court Debt Practices and Procedures and Statutory Requirements**

- 2) MH44 (9%) to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator enters the amounts reported from the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report, from MH42, and that program generates the Cash Receipt for the Treasurer, which automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the "Fines" label pursuant to section 602.8108(4).

**After Programming Fix: \$100 receipt on case that is not collections will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Payment Amount)</b>	<b>Payor type (receipting transaction type)</b>
\$100.00	CM51	CM52: Road Use Tax Fund (100%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The CM51 (DOT Fines) fin code is reported to the treasurer for the DOT Road Use Tax Fund (602.8108(8) line of the Four Column Report and is deposited into the DOT Road Use Tax Fund with the state treasurer.

IDR Collections (effective 01/01/2021):

**Currently: \$100 receipt on a case in collections with IDR creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$85	MH4A	MH42: State Court Administrator (77.35%) MH44: County General Fund (7.65%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	SK11	Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	MH4A	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)

MH4A is disbursed as:

- 1) MH42 (77.35%) in the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report and is payable to the State Court Administrator pursuant to section 602.8106(4)(b)(1); and
- 2) MH44 (7.65%) to the County General Fund in the County Fines line of the Four Column Report pursuant to section 602.8106(4)(b)(2).

The State Court Administrator enters the amounts reported from the Fines Distributed On/After 07/15/2020 per 602.8106(4)(b)(1) line of the Four Column Report, from MH42, and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .013 for Emergency Medical Services Fund and the remainder goes into the state general fund under the "Fines" label pursuant to section 602.8108(4).

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

**After Programming Fix: \$100 receipt on a case in collections with IDR will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$85.00	CM51	CM52: Road Use Tax Fund (85%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	SK11	Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	CM51	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)

CM51 (DOT Fines) is reported to the treasurer for the DOT Road Use Tax Fund (602.8108(8)) line of the Four Column Report and is deposited into the DOT Road Use Tax Fund with the state treasurer.

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$100.00	CM2A	CM22: State General Fund (78%) CM24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

CM2A, which is the generic county attorney collection fin code before the threshold has been met, is disbursed as:

- 1) CM22 (72%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund; and
- 2) CM24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee.

The original fin code ceases to be used. Rather, a county attorney fin code replaces it and controls distribution without regard to the required distribution for the original fin code.



**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$72.00	CM51	CM52: DOT RUTF (72%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM23	CM24: County (28%)	Original Payment Type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM51	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM23 is disbursed as CM24 to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

The CM51 (DOT Fines) fin code is disbursed as CM52 and is reported to the DOT Commercial Vehicle (602.8108(9)) line of the Four Column Report and is deposited into the DOT Commercial Vehicle fund with the state treasurer.

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	TC2A	TC22: State General Fund (67%) TC24: County General Fund (28%) TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	MH4A	N/A	ATT (journal type to reduce the owed balance by the amount converted to the collection fee)

TC2A, which is the generic county attorney collection fin code after the threshold has been met, is disbursed as:

- 1) TC22 (67%) to the State in the Fines and Forfeitures line of the Four Column Report and deposited into the state general fund;
- 2) TC24 (28%) to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee; and
- 3) TC26 (5%) to TC26 to the County Attorney Collections line of the Four Column Report and is payable to the County Attorney for the collection fee after threshold bonus.

The original fin code ceases to be used. Rather, a county attorney fin code replaces the original fin code and controls distribution without regard to the required distribution for the original fin code.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

<b>Payment Amount</b>	<b>Fin Code</b>	<b>Fin Code: Recipient (% of Receipt)</b>	<b>Payor type (receipting transaction type)</b>
\$67.00	CM51	CM52: DOT RUTF (67%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	TC23	TC24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$5.00	TC25	TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM51	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$5.00	CM51	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

CM51 (DOT Fines) is disbursed as CM52 and is reported to the DOT Commercial Vehicle (602.8108(9)) line of the Four Column Report and is deposited into the DOT Commercial Vehicle fund with the state treasurer.

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County\* for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

## G. Penitentiary Offset Payments: Collection Fee

### **Issue**

Whether amounts deducted from inmate accounts pursuant to Iowa Code section 904.702 are subject to a collection fee.<sup>34</sup>

### **What does the law require?**

Iowa Code section 904.702(1) provides as follows:

The director shall deduct from the inmate account an amount established by the inmate’s restitution plan of payment. The director shall also deduct from any remaining account balance an amount sufficient to pay all or part of any judgment against the inmate,

<sup>34</sup> This issue is addressed in section 4.3.7 of the NCSC report.

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

including but not limited to judgments for taxes and child support, and court costs and fees assessed either as a result of the inmate's confinement or amounts required to be paid under section 610A.1.

The only mention of this code provision in the court debt statutes is as follows in Iowa Code section 602.8107(2)(a):

If the clerk receives payment from a person who is an inmate at a correctional institution or who is under the supervision of a judicial district department of correctional services, the payment shall be applied to the balance owed under the identified case number of the case which has resulted in the placement of the person at a correctional institution or under the supervision of the judicial district department of correctional services.

The Iowa Code does not directly address whether payments made in certain ways, including from an inmate at a correctional institution pursuant to section 602.8107(2)(a) or 904.702(1), are subject to a collection fee.

Typically, court debt is subject to a collection fee unless it is exempt. As discussed earlier, sections 602.8107(3) & (4) address types of court debt or the recipient of court debt, not the form of payment.

Nevertheless, the judicial branch has never provided the collector a collection fee on payments collected from deducting moneys from an inmate's account. Nor has the legislature addressed section 904.702 in the context of collection fees. The county attorney collection provision requires the collector to receive the collection fee as a result of its collection efforts. While the IDR collection provision in section 602.8107(3) could arguably be read to not require IDR to engage in collection activity in order to receive a collection fee, it does not seem likely that the legislature's amendments in SF 367 were meant to provide a collection fee to IDR where county attorneys and prior debt collectors never received a collection fee on this method of collection. The legislature and stakeholders have never suggested that this programming was wrong, and changes to the court debt system have always been done on the backdrop of fiscal analysis that provided no collection fee for payments made through this methodology.

SCA concludes that although far from clear, the best interpretation is that payments made through deductions from inmate accounts are not subject to a collection fee regardless of collector—whether that be because the legislature never contemplated or intended to provide a collection fee in such circumstances, the legislature has acquiesced to the judicial branch's administration of this provision which does not deduct a collection fee, or otherwise.

### **How does the programming currently operate?**

**For cases not in collections**, this issue does not apply.

**For cases in collections with IDR or county attorney collectors**, programming does not provide a collection fee on court debt received through deductions from an inmate's account.

### **Conclusion**

No changes to current programming.

**Basic Table Description with \$100 Payment Example**

<b>No Collection Fee on Amounts Deducted from Inmate Accounts Pursuant to Section 904.702</b>		
<b>Type of Collector</b>	<b>No Collection Fee</b>	<b>Distribute entire payment pursuant to 602.8106, 602.8108, or other applicable provision</b>
Not at Collections	\$0.00	\$100.00
IDR	\$0.00	\$100.00
County Attorney before threshold	\$0.00	\$100.00
County Attorney after threshold	\$0.00 to County \$0.00 to County Atty	\$100.00

**Detailed Description with Required Programming Changes**

Not at Collections: No change needed.

IDR Collections (effective 01/01/2021): No change needed.

County Attorney Collections (Before Threshold): No change needed.

County Attorney Collections (After Threshold): No change needed.

**H. Department of Transportation Civil Penalties**

**Issue**

Whether the DOT civil penalty is subject to a collection fee when it is rolled into an installment plan and becomes paid to or collected by the clerk of court.<sup>35</sup>

**What does the law require?**

The first and key issue is whether the DOT civil penalty qualifies as court debt. SF 367 amended the definition of court debt to mean “all restitution as defined in section 910.1, fees, forfeited bail, and other debt paid to or collected by the clerk of the district court.” See SF 367, bill section 3 (amending section 602.8107(1)(a)). No special effective date applied to this provision, so it was effective July 1, 2021.

Under current law, Iowa Code section 321J.17(1) provides in part:

If the department [of transportation] revokes a person’s driver’s license or nonresident operating privilege under this chapter, the **department [of transportation] shall assess the person a civil penalty** of two hundred dollars. The **money collected by the department** under this section shall be transmitted to the treasurer of state who shall deposit one-half

<sup>35</sup> This issue is addressed in section 4.3.8 in the NCSC report.

of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state.<sup>36</sup>

(Emphasis Added).

The civil penalty described here does not constitute court debt based on this statute alone. It is debt assessed by and collected by the department of transportation. It is not assessed by the clerk or the court (but rather DOT) and is not payable to or collected by the clerk of court. As such, the judicial branch does not refer it to IDR for collections. It does not qualify as court debt at this time.

However, Iowa Code section 321.210B addresses installment plans. Specifically, it states:

1. *a.* If a person's fine, penalty, surcharge, or court cost is deemed delinquent as provided in section 602.8107, subsection 2, and the person's driver's license has been suspended pursuant to section 321.210A, or the clerk of the district court has reported the delinquency to the department as required by section 321.210A, the person may execute an installment agreement as defined in section 602.8107 with the county attorney, the county attorney's designee, or the department of revenue, to pay the delinquent amount and the civil penalty assessed in subsection 7 in installments. Prior to execution of the installment agreement, the person shall provide the county attorney, the county attorney's designee, or the department of revenue with a financial statement in order for the parties to the agreement to determine the amount of the installment payments.  
*b.* Cases involving court debt assigned to a county attorney, a county attorney's designee, or the department of revenue shall remain so assigned.
2. If the person enters into an installment agreement with the county attorney or the county attorney's designee, the person shall execute an installment agreement in the county where the fine, penalty, surcharge, or court cost was imposed. If the county where the fine, penalty, surcharge, or court cost was imposed does not have an installment agreement program, the person shall execute an installment agreement in the person's county of residence. If the county of residence does not have an installment agreement program, the person may execute an installment agreement with any county attorney or county attorney's designee. . . .
7. *a.* A civil penalty assessed pursuant to section 321J.17 shall be added to the amount owing under the installment agreement.  
*b.* The clerk of the district court shall transmit to the department, from the first moneys collected, an amount equal to the amount of any civil penalty assessed pursuant to section 321J.17 and added to the installment agreement. The department shall transmit the money received from the clerk of the district court pursuant to this paragraph to the treasurer of state who shall deposit one-half of the money in the separate fund established in section 915.94 and one-half of the money in the general fund of the state.

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<sup>36</sup> Since 2007, Iowa Code section 321.210B has been amended several times. Section 321.210B in the 2020 Iowa Code provided for DOT civil penalties assessed pursuant to sections 321J.17, 321.218A, and 321A.32A. Currently, the only DOT civil penalties being assessed are pursuant to 321J.17.

Iowa Code section 321.210B describes installment plans for obligors with court debt collectors. By requiring that the civil penalty assessed pursuant to section 321J.17 be added to the amount owing under the installment agreement and making that debt paid to or collected by the clerk of court, the DOT civil penalty becomes court debt and subject to a collection fee.

Practically, this occurs as follows: The collector and obligor enter into an installment plan. The collector informs the clerk of the installment plan, the existence of the DOT civil penalty, and the amount of the DOT civil penalty, which DOT assessed. The clerk then adds the fin code to the case. If the Driver's License Reinstatement Payment Program is revoked, the clerk "journals out" the civil penalty; in other words, the amount of the civil penalty is no longer owed on the case, but there remains an indication in the accounting of the case of the prior existence of the civil penalty.

SCA recognizes that the question of whether this debt should be treated as court debt and subject to a collection fee is a difficult one. The DOT civil penalty clearly meets the definition of court debt when it is rolled into an installment plan. However, no other debt is sometimes court debt and sometimes not court debt. SCA also recognizes DOT and IDR previously asserted that this debt is not court debt.<sup>37</sup> However, the law does not currently reflect that assertion. This result may not have been what the legislature intended, but the new definition of court debt including "other debt paid to or collected by the clerk of the district court" must be given some meaning. Presently, this DOT civil penalty appears to meet that definition. Until the legislature amends the statute to provide further direction, SCA concludes that both IDR and county attorney collectors should receive a collection fee on DOT civil penalties added into the installment plan pursuant to section 321.210B, regardless of the underlying Code section that provided the basis for the DOT civil penalty.

#### **How does the programming currently operate?**

For cases not in collections and cases in collection with a county attorney collector, payments are distributing 100% to the DOT for the civil penalty.

For cases in collections with IDR that were created by the SF 367 conversion program, which applied to receipts collected in calendar year 2021, IDR received a collection fee.

Current programming, beginning with receipts effective January 1, 2022, does not provide a collection fee for IDR on payments toward the DOT civil penalty.

#### **Conclusion**

The legislative intent on this matter is unclear. In light of the definition of court debt effective July 1, 2021, unless and until the legislature provides alternative direction, programming should be changed to provide for a collection fee on the civil penalty when the civil penalty is rolled into an installment plan with IDR or a county attorney collector because then the court debt is paid to or collected by the clerk of the district court.

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<sup>37</sup> Even with IDR and DOT's disavowal of a collection fee to IDR, the judicial branch still has a duty to distribute court debt consistent with the Iowa Code.

**Basic Table Description with \$100 Payment Example**

<p align="center"><b>Collection Fee on DOT Civil Penalties (321.J.17(1)) Rolled into an Installment Plan Pursuant to 321.210B</b></p> <p align="center"><i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i></p>		
Type of Collector	Collection Fee <b>602.8107(3) &amp; (4)</b>	Remaining Amount to DOT, who shall transmit to Treasurer <i>Treasurer shall deposit 50% in § 915.94 fund and 50% in state general fund</i>
Not at Collections	\$0.00	\$100.00
IDR	\$15.00 <i>Current: \$0; need to increase from DOT.</i>	\$85.00 <i>Current: \$100; need to decrease.</i>
County Attorney <u>before</u> threshold	\$28.00 <i>Current: \$0; need to increase from DOT.</i>	\$72.00 <i>Current: \$100; need to decrease.</i>
County Attorney <u>after</u> threshold	\$28.00 to County <i>Current: \$0; need to increase from DOT.</i>  \$5.00 to County Atty <i>Current: \$0; need to increase from DOT.</i>	\$67.00 <i>Current: \$100; need to decrease.</i>

**Detailed Description with Required Programming Changes**

Not at Collections: no changes needed.

IDR Collections (effective 01/01/2021):

**Currently: \$100 receipt on a case in collections with IDR creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100	MK51	MK51: DOT Civil Penalty	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

MK51 (DOT Civil Penalty) is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

**After Programming Fix: \$100 receipt on a case in collections with IDR will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$85.00	MK51	MK52: DOT Civil Penalty (85%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

\$15.00	SK11	Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$15.00	MK51	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)

MK51 (DOT Civil Penalty) disburses as MK52 and is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (before threshold) creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	MK51	MK52: DOT Civil Penalty	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

MK51 (DOT Civil Penalty) disburses as MK52 and is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (before threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$72.00	MK51	MK52: DOT Civil Penalty (72%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM23	CM24: County (28%)	Original Payment Type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	CM51	NA	ATT (journal type to reduce the owed balance by the amount of the collection fee)

MK51 (DOT Civil Penalty) disburses as MK52 is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

CM23 is disbursed as CM24 to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

County Attorney Collections (After Threshold):

**Currently: \$100 receipt on a case in collections with county attorney (after threshold) creates:**



2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	MK51	MK52: DOT Civil Penalty (100%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

MK51 (DOT Civil Penalty) is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

**After Programming Fix: \$100 receipt on a case in collections with county attorney (after threshold) will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$67.00	MK51	MK52: DOT Civil Penalty (72%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	TC23	TC24: County General Fund (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$5.00	TC25	TC26: County Attorney (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$28.00	MK51	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$5.00	MK51	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

MK51 (DOT Civil Penalty) is reported in the Miscellaneous Trust and Bonds line of the Four Column Report and is distributed directly to the DOT.

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the receiving entity is the county auditor, county treasurer, or county attorney.

## I. Criminal Penalty Surcharge

### **Issue**

Whether the criminal penalty surcharge should a) be subject to a collection fee and b) distributed the same as the crime services surcharge when distributed on or after July 15, 2020.<sup>38</sup>

### **What does the law require?**

First, the crime services surcharge is on the lists of court debt that are exempt from a collection fee. Iowa Code § 602.8107(3) & (4). So, even if the case is in collections, the full amount should be distributed. See [Collection Fee Analysis: No Collection Fee on Ineligible Court Debt](#).

However, the criminal penalty surcharge is no longer included on the lists of court debt that are exempt from a collection fee. As such, it is subject to a collection fee before distribution. For further elaboration, please see [Collection Fee Analysis: Collection Fee on Eligible Court Debt: Repealed Surcharges](#). In general, the criminal penalty surcharge is subject to a collection fee; the only portion that is not subject to a collection fee is the amount of the criminal penalty surcharge which is statutorily required to be distributed to the victim compensation fund. See [Collection Fee Analysis: No Collection Fee on Ineligible Court Debt: Victim Compensation Fund](#).

Second, Iowa Code section 602.8108(3) controls distribution of the “the surcharge provided in section 911.1.” Iowa Code section 911.1 currently provides for the assessment of the crime services surcharge (15% of the fine and forfeiture assessed), but previously referred to the assessment of the criminal penalty surcharge (35% of the fine and forfeiture assessed). As such, Iowa Code section 602.8108(3) controls the distribution of both the presently assessed crime services surcharge and the previously assessed criminal penalty surcharge. Specifically, Iowa Code section 602.8108(3) requires:

- 1) the clerk to remit the entirety of the payment toward the surcharge provided in section 911.1 (i.e. the crime services surcharge or the criminal penalty surcharge) to the State Court Administrator; and
- 2) the State Court Administrator to allocate the money as follows:
  - a. 46% to the Juvenile Detention Home Fund;
  - b. 32% to the Victim Compensation Fund;
  - c. 20% to the Criminalistics Laboratory Fund; and
  - d. 2% to the Drug Abuse Resistance Education Fund.

The change to Iowa Code section 602.8108(3) changed the distribution of the surcharge provided in section 911.1 and was effective July 15, 2020. Significantly, the key dates here are based on the clerks’ remission of funds and the state court administrator’s allocation and deposit. It is not the date that the surcharge was paid by the defendant or the offense date. This distinction is important to resolve the question of “should amounts paid between July 1 and July 14, but remitted and distributed on and after July 15, 2020, be distributed as provided in SF 457?” The answer is “yes.”

### **How does the programming currently operate?**

Effective December 1, 2022, the surcharge under section 911.1, including assessments of the criminal penalty surcharge on or before July 14, 2020, has been distributed in accordance with the requirements under Iowa

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<sup>38</sup> This issue is addressed in section 4.3.9 in the NCSC report.

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Code section 602.8108(3) that went into effect on July 15, 2020. The criminal penalty surcharge is currently programmed to not provide a collection fee to collectors.

Prior to December 1, 2022, the clerk remitted the criminal penalty surcharge 95% to the state court administrator and 5% to the county treasurer. Upon receipt, the state court administrator was distributing the criminal penalty surcharge 17% to the victim compensation fund and 83% to the state general fund. For cases in collection with IDR, the monies distributed to the county treasurer and the state general fund were programmed to deduct a collection fee, but the monies distributed to the victim compensation fund were not programmed to deduct a collection fee. For cases in collections with county attorney collectors, the monies distributed from the criminal penalty surcharge were never programmed to deduct a collection fee.

### **Conclusion**

Programming for the criminal penalty surcharge is currently distributing accurately as follows:

- a. 46% to the Juvenile Detention Home Fund;
- b. 32% to the Victim Compensation Fund;
- c. 20% to the Criminalistics Laboratory Fund; and
- d. 2% to the Drug Abuse Resistance Education Fund.

However, a collection fee is not currently being collected on the payment toward the criminal penalty surcharge. Except for the 32% of the criminal penalty surcharge payment that is required to be distributed to the victim compensation fund, the remainder of the payment shall be subject to a collection fee if it is in collection with IDR or a county attorney collector.

**Basic Table Description with \$100 Payment Example**

<b>Distribution of Criminal Penalty Surcharge Pursuant to § 602.8108(3)</b> <i>(Black font shows the correct distribution and red font shows how programming currently operates and needs to change)</i>					
Type of Collector	Collection Fee <sup>39</sup> on 68% 602.8107(3) & (4)	32% to Victim Compensation Fund (VCF) <i>*No collection fee</i>	46% to Juvenile Detention Home Fund <i>*Collection Fee</i>	20% to Criminalistics Laboratory Fund <i>*Collection Fee</i>	2% to DARE Fund <i>*Collection Fee</i>
Not at Collections	\$0.00	\$32.00	\$46.00	\$20.00	\$2.00
IDR	\$10.20 to IDR  <i>Currently distributes \$0; need to increase from Non-VCF.</i>	\$32.00	\$39.10  <i>Currently remits \$46; need to decrease.</i>	\$17.00  <i>Currently remits \$20; need to decrease.</i>	\$1.70  <i>Currently remits \$2.00; need to decrease.</i>
County Attorney before threshold	\$19.04 to County	\$32.00	\$33.12	\$14.40	\$1.44
	<i>Currently distributes \$0; need to increase from Non-VCF.</i>		<i>Currently remits \$46.00; need to decrease.</i>	<i>Currently remits \$20.00; need to decrease.</i>	<i>Currently remits \$2.00; need to decrease.</i>
County Attorney after threshold	\$19.04 to County \$3.40 to County Atty  <i>Currently distributes \$0 to both; need to increase from Non-VCF.</i>	\$32.00	\$30.82  <i>Currently remits \$46.00; need to decrease.</i>	\$13.40  <i>Currently remits \$20.00; need to decrease.</i>	\$1.34  <i>Currently remits \$2.00; need to decrease.</i>

**Detailed Description with Required Programming Changes**

Not at Collections: No change needed.

IDR Collections (effective 01/01/2021):

**CURRENTLY: \$100 receipt on a case that is not in collections creates:**

<sup>39</sup> The collection fee does not apply to the 32% that is required to be distributed to the victim compensation fund. In a \$100 payment example, first the \$32 distribution is deducted and then the collection fee percentage is taken from the remaining \$68.

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A (state charges)	CI42: Victim Compensation Fund (16.67%) CI44: State General Fund (78.33%) CI46: County (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI2A (local charges)	CI22: Victim Compensation Fund (16.67%) CI24: State General Fund (78.33%) CI26: County (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

Two fin codes were used to set up the criminal penalty surcharge. For local charges, CI2A was used to set up the criminal penalty surcharge. For state charges, CI4A was used to set up the criminal penalty surcharge. CI2A and CI4A are programmed to operate the same.

However, CI2A and CI4A are currently programmed to convert to the Crime Services Surcharge, which is fin code CI8A, before disbursing. When receipts are applied to CI4A for State charges and CI2A for local charges for the criminal penalty surcharge, a program runs at night to convert the amount received on the CI4A or CI2A fin code to the CI8A Crime Services Surcharge (before they are disbursed):

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A (state charges)	CI42: Victim Compensation Fund (16.67%) CI44: State General Fund (78.33%) CI46: County (5%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
<del>(\$100.00)</del>	<del>CI4A/CI2A</del>	<del>CI42/CI22 — 16.67% to Victim Comp Fund CI44/CI24 — 78.33% to General Fund CI46/CI26 — 5% to County</del>	<del>Original payment type (CSH, CHK, MOR, ETC) deposited in bank</del>
\$100.00	CI4A	N/A	ABP (journal type to reduce the owed balance from the CI4A fin code)
\$100.00	CI8A	CI82 - 100% to Crime Services Surcharge	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI2A (local charges)	CI22: Victim Compensation Fund (16.67%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

		CI24: State General Fund (78.33%) CI26: County (5%)	
<del>(\$100.00)</del>	<del>CI4A/CI2A</del>	<del>CI42/CI22 -- 16.67% to Victim Comp Fund</del> <del>CI44/CI24 -- 78.33% to General Fund</del> <del>CI46/CI26 -- 5% to County</del>	<del>Original payment type (CSH, CHK, MOR, ETC) deposited in bank</del>
\$100.00	CI2A	N/A	ABP (journal type to reduce the owed balance from the CI4A/CI2A fin code)
\$100.00	CI8A	CI82 - 100% to Crime Services Surcharge	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The strikethroughs above on the CI4A/CI2A fin code are present to demonstrate that the conversion program “reverses” the CI4A amount received, sets up and receipts on the CI8A, and also journals the remaining balance due on the CI4A. It is necessary to show these stricken amounts to demonstrate that two positive amounts and one negative amount are present, which results in final one positive amount.

The amount received on the CI8A fin code is reported in the Crime Services Surcharge line of the Four Column Report and the State Court Administrator and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .46 for Juvenile Detention Home Fund; .32 for the Victim Compensation Fund; .20 for the Criminalistics Laboratory Fund; and .02 to the DARE Fund pursuant to section 602.8108(3).

**After Programming Fix: \$100 receipt on CI4A/CI2A Criminal Penalty Surcharge creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A/CI2A	N/A	IDR (journal type to reduce the owed balance by the amount of the collection fee)
\$10.20	SK11	SK12 - Iowa Department of Revenue (15%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$32.00	CI81	CI82 - 32% to Victim Comp Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$39.10	CI83	CI84 -- 39.10% to Juvenile Detention Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$17.00	CI85	CI86 -- 17% to Criminalistics Lab	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$1.70	CI87	CI88 - 1.7% DARE	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The amount received on the CI8A fin code is reported in the Crime Services Surcharge – Vict Comp Fund (32%), Crime Services Surcharge – Juvenile Det Home Fund (46%), Crime Services Surcharge – Criminalistics Lab Fund (20%), and Crime Services Surcharge – DARE Fund (2%) lines of the Four Column Report pursuant to section 602.8108(3).

SK11 (15%) is reported in the IDR Collections Fee line of the Four Column Report and is deposited into the IDR Collection Fee fund with the state treasurer.

County Attorney Collections (Before Threshold):

**Currently: \$100 receipt on CI4A/CI2A Criminal Penalty Surcharge creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

When receipts are applied to CI4A/CI2A Criminal Penalty Surcharge (CI4A for State charges and CI2A for local charges), a program runs at night to convert the amount received on the CI4A/CI2A fin code to the CI8A Crime Services Surcharge:

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
(\$100.00)	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CI4A/CI2A	N/A	ABP (journal type to reduce the owed balance from the CI4A/CI2A fin code)
\$100.00	CI8A	CI82 - 100% to Crime Services Surcharge	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The amount received on the CI8A fin code is reported in the Crime Services Surcharge line of the Four Column Report and the State Court Administrator and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .46 for Juvenile Detention Home Fund; .32 for the Victim Compensation Fund; .20 for the Criminalistics Laboratory Fund; and .02 to the DARE Fund pursuant to section 602.8108(3).

**After Programming Fix, \$100 receipt will create:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receiving transaction type)
\$100.00	CI4A/CI2A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)

2023 Review of Court Debt Practices and Procedures and Statutory Requirements

\$19.04	CI8A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$19.04	CM23	CM24: County (28%)	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$32.00	CI81	CI82 - 32% to Victim Comp Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$33.12	CI83	CI84 -- 33.12% to Juvenile Detention Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$14.40	CI85	CI86 -- 14.4% to Criminalistics Lab	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$1.44	CI87	CI88 - 1.44% DARE	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The amount receipted on the CI8A fin code will be reported in the following lines of the four-column report pursuant to section 602.8108(3):

- 1) Crime Services Surcharge – Vict Comp Fund (32%),
- 2) Crime Services Surcharge – Juvenile Det Home Fund (46%),
- 3) Crime Services Surcharge – Criminalistics Lab Fund (20%), and
- 4) Crime Services Surcharge – DARE Fund (2%).<sup>40</sup>

CM23 is disbursed as CM24 to the County Attorney Collections line of the Four Column Report and is payable to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) providing for a 28% collection fee to be paid to the county.

County Attorney Collections (After Threshold):

**CURRENTLY: \$100 receipt on CI4A/CI2A Criminal Penalty Surcharge creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

When receipts are applied to CI4A/CI2A Criminal Penalty Surcharge (CI4A for State charges and CI2A for local charges), a program runs at night to convert the amount receipted on the CI4A/CI2A fin code to the CI8A Crime Services Surcharge:

<sup>40</sup> The change in programming will affect not only the criminal penalty surcharge, but also the crime services surcharge. The change to individually distribute each payment to each recipient and not combine many payments toward the criminal penalty surcharge or crime services surcharge may result in decreased revenue to the DARE fund due to rounding less than monetary amounts from very small payments. This result, if it occurs, is unintended. This programming approach was deemed necessary. The current approach to programming could not be modified to meet the legal requirements that SCA deemed appropriate. SCA considers both programming approaches to comply with the law.



2023 Review of Court Debt Practices and Procedures and Statutory Requirements

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
(\$100.00)	CI4A/CI2A	CI42/CI22 - 16.67% to Victim Comp Fund CI44/CI24 -- 78.33% to General Fund CI46/CI26 -- 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$100.00	CI4A/CI2A	N/A	ABP (journal type to reduce the owed balance from the CI4A/CI2A fin code)
\$100.00	CI8A	CI82 - 100% to Crime Services Surcharge	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

The amount received on the CI8A fin code is reported in the Crime Services Surcharge line of the Four Column Report and the State Court Administrator and their program generates the Cash Receipt for the Treasurer, who automatically takes that amount multiplied by .46 for Juvenile Detention Home Fund; .32 for the Victim Compensation Fund; .20 for the Criminalistics Laboratory Fund; and .02 to the DARE Fund pursuant to section 602.8108(3).

**After Programming fix: \$100 Receipt creates:**

Payment Amount	Fin Code	Fin Code: Recipient (% of Receipt)	Payor type (receipting transaction type)
\$100.00	CI4A/CI2A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$19.04	CI8A	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$19.04	TC23	TC24 - 28% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$3.40	CI8A/	N/A	ATT (journal type to reduce the owed balance by the amount of the collection fee)
\$3.40	TC25	TC26 - 5% to County	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$32.00	CI81	CI82 - 32% to Victim Comp Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$30.82	CI83	CI84 -- 30.82% to Juvenile Detention Fund	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$13.40	CI85	CI86 -- 13.4% to Criminalistics Lab	Original payment type (CSH, CHK, MOR, ETC) deposited in bank
\$1.34	CI87	CI88 - 1.34% DARE	Original payment type (CSH, CHK, MOR, ETC) deposited in bank

## 2023 Review of Court Debt Practices and Procedures and Statutory Requirements

The amount received on the CI8A fin code will be reported in the following lines of the four column report pursuant to section 602.8108(3):

- e. Crime Services Surcharge – Vict Comp Fund (32%),
- f. Crime Services Surcharge – Juvenile Det Home Fund (46%),
- g. Crime Services Surcharge – Criminalistics Lab Fund (20%), and
- h. Crime Services Surcharge – DARE Fund (2%).

TC23 (28%) will disburse as TC24 to the County Attorney Collections line of the Four Column Report and will be owed to the County for the collection fee pursuant to section 602.8107(4) (indicating that fines are not excluded from court debt eligible for a collection fee) and section 602.8107(4)(c) (providing for a 28% collection fee to be paid to the county).

TC25 (5%) will disburse as TC26 to the County Attorney Collections line of the Four Column Report and will be owed to the County Attorney for the collection fee bonus pursuant to section 602.8107(4)(d) (providing for an additional 5% collection fee to be paid to the county attorney after the county attorney has collected their threshold amount).

Under current practice, both TC24 and TC26 are paid to the same county entity and that entity distributes 28% to the county general fund and 5% to the county attorney. Local practice varies on whether the entity is the county auditor, county treasurer, or county attorney.