

Court Fines and Fees Process¹

Monthly activity and roles played by different entities in the collection and distribution of court fines and fees.

Monthly Activity

1) Law Enforcement officer issues a ticket/requests warrant from judicial officer

• State statute or local government ordinance provides the Court with guidelines for fines and fees.

2) Violator pays ticket at County or Municipal Courthouse

• State Court Administration provides:
• all trial courts (1) Annual Fees and Assessments Memo which covers current laws on collection/distribution of court generated revenue; and (2) list of common citations with pertinent information (e.g., minimum fines, etc.)
• training to newly elected Clerks of Court; and
• training to summary court judges.
• Each Court tracks ticket/warrant information, including revenue generated.

How is revenue from tickets tracked?

There is no uniformity in information tracking.

- 100% of counties and 25% of municipalities utilize the same computer system, CMS. All municipalities are invited to utilize CMS.
- 67% of municipalities utilize one of four other different computer systems.
- 8% of municipalities track by hand.

3) Clerk of Court remits revenue from tickets to Local Government Treasurer

• Current legislation does not instruct State Court Administration to enforce routine collection of fines and fees. County Circuit Clerks of Court are elected officials and not part of the unified judicial system. Magistrate or Municipal Clerks are appointed or hired.

What is the total amount collected?

No one state entity can verify the total collected.

- Judicial Department requires all courts submit the total amount collected at the end of each fiscal year. Judicial Department can verify amounts from courts utilizing CMS, but must rely on information submitted by courts not utilizing CMS.
- State Treasurer's Office (STO) receives funds through deposits made by Local Government Treasurers and then disburses funds as per code of laws.

4) Local Government Treasurer keeps a portion of the revenue and remits remainder to State Treasurer with monthly remittance report

• Local Government Treasurer deposits certain percentage into a fund for local crime victim services and remits the remainder to the State Treasurer.

What if funds are not deposited or done so incorrectly?

Withholding state payments is the only compliance method.

- If 90 or more days late in sending monthly amount, STO, per statute, withholds 25% of state payments to local government until all monthly fine reports are current.
 - See next page for other withholdings.
- Currently unable to know if correct amount is provided without an audit from the local government or engagement from the State Auditor.**
- Each local government is required to provide audited financial records annually.
 - Entities failing to remit or to have an audit are usually small municipalities.

Confirmed accurate by State Court Administration, State Treasurer's Office and State Auditor's Office via phone and email communication with Oversight staff in July and August 2017.

Monthly Activity (cont.)

5) State Treasurer remits a portion of the revenue to State Auditor's Office and Court Administration

- First \$250,000 is received by State Auditor's Office to cover costs of periodic engagements (not full scope audits but agreed upon procedures engagements).
- Next \$10,000 funds training, conducted by Court Administration and State Treasurer, on collections and disbursement of fines/fees.

What is the role of the State Auditor's Office?

Conducted engagements of less than 20% of entities required to remit revenue and found almost \$1,000,000 owed to the State during the last 3 fiscal years.

- Determines local governments to perform engagements through consultation with STO and random selection.
- Utilizes two CPA firms, and is considering adding another.
- Average cost to perform engagement of a small municipality is \$11,000, and may be more if the municipality utilizes a manual system, instead of a computer system.

6) State Treasurer remits remainder of revenue to various state entities

- Remainder to the various entities listed to the right.
- Amounts each entity receives and purpose for which they are intended are included in state statute.

Which entities receive a portion of the remaining revenue?

24 entities receive a portion of the revenue:

Judicial Dept., State General Fund, Dept. of Probation, Parole, and Pardon, Law Enforcement Training Council, Commission on Indigent Defense, Department of Administration, Prosecution Coordination Commission, Dept. of Public Safety, Dept. of Juvenile Justice, State Law Enforcement Division, Dept. of Parks, Recreation, and Tourism, Dept. of Corrections, Dept. of Mental Health, Attorney General's Office, Dept. of Social Services, Medical University of South Carolina, State Auditor's Office, Dept. of Natural Resources, State Treasurer's Office, Dept. of Disabilities and Special Needs, Forestry Commission, Dept. of Health and Environmental Control, Dept. of Motor Vehicles, and Dept. of Transportation

Annual Audit: How do these connect?

What are other situations in which amounts are withheld?

Withholding state payments is the only method of compliance.

- If no audit within 13 months of end of local government's fiscal year,
 - STO withholds 100% of state payments until required audited financials are received.
- If audit contains a significant finding(s) related to court fees and fine, STO withholds:
 - amount due, if amount specified, up to 100% of state payments; and
 - 25% of state payments, if no amount specified.
- After 90 days, any funds held by STO may be available to the State Auditor to conduct an audit or engagement of the entity.

What issues are there with current methods of compliance?

Cost of audit may exceed amount withheld from a local government.

- Local government has no business incentive to have audit conducted
- **Amounts withheld do not equal amounts owed the State in fines and fees.**
- STO tracks amount of state payments withheld, but these amounts may be more or less than the amounts the local government owes.
- **Total amount withheld from municipalities, as of June 6, 2017 is \$2,628,871.28.**
 - Significant amounts withheld from some individual municipalities include: \$653,611.31 from St. Matthews (Period holding is 2015-2017); \$444,384.11 from Timmons ville (Period holding is 2016-2017); \$266,564.49 from Lincolnville (Period holding is 2015-2017); and \$212,961.26 from Cross Hill (Period holding is 2013-2017).

Entities Receiving Court Fines and Feesⁱⁱ

Information from the 2017 study of the Law Enforcement Training Council on the different entities receiving court fines and fees and a comparison of the amount received in court fines and fees to the entities total budget.

Agency receiving funds	Total Budget[^]	Total Court Fines and Fees Distributed*	Fines and Fees as % of Total Budget
Judicial Department	\$71,100,347.00	\$14,133,647.21	19.878%
State General Fund	\$7,579,528,892.00	\$11,513,505.75	0.152%
Department of Probation, Parole and Pardon	\$54,792,768.00	\$9,768,997.85	17.829%
Law Enforcement Training Council	\$13,318,792.00	\$7,426,113.61	55.757%
Commission on Indigent Defense	\$43,615,582.00	\$6,950,850.84	15.937%
Department of Administration	\$279,656,524.00	\$6,500,251.16	2.324%
Prosecution Coordination Commission	\$35,687,287.00	\$6,452,553.40	18.081%
Department of Public Safety (DPS)	\$171,047,852.00	\$6,172,407.68	3.609%
Department of Juvenile Justice (DJJ)	\$125,512,127.00	\$5,947,941.75	4.739%
Governor's Office - State Law Enforcement Division	\$95,527,724.00	\$2,694,899.25	2.821%
Department of Parks, Recreation, and Tourism	\$94,459,242.00	\$2,528,833.13	2.677%
Department of Corrections	\$464,711,719.00	\$2,314,298.74	0.498%
Department of Mental Health	\$462,541,832.00	\$1,485,243.01	0.321%
Attorney General's Office	\$27,740,697.00	\$865,467.71	3.120%
Department of Social Services	\$713,455,638.00	\$772,697.00	0.108%
Medical University of South Carolina	\$649,270,468.00	\$656,872.40	0.101%
State Fiscal Accountability Authority - State Auditor's Office	\$5,872,849.00	\$250,000.00	4.257%
Department of Natural Resources	\$99,064,483.00	\$239,139.67	0.241%
State Treasurer's Office	\$8,958,896.00	\$104,381.84	1.165%
Department of Disabilities and Special Needs	\$728,421,802.00	\$71,913.78	0.010%
Forestry Commission	\$30,306,119.00	\$15,443.18	0.051%
Department of Health and Environmental Control	\$606,956,752.00	\$13,710.31	0.002%
Department of Motor Vehicles	\$91,047,596.00	\$1,113.18	0.001%
Department of Transportation	\$1,804,212,026.00	\$0.00	0.000%
TOTAL		\$86,880,282.45	



[^]Total budget from 2016-17 General Appropriations Act. Does not include provisos. Only includes total from Fiscal Year 2016-17 General Appropriations Bill H.5001.

*Total remitted to agencies from court fines and fees provided by State Treasurer's Office to Oversight Committee staff via email on August 1, 2017.

¹ S.C. House of Representatives, House Legislative Oversight Committee, "Meeting Minutes June 6, 2017," under "Committee Postings and Reports," under "House Legislative Oversight Committee, under "Law Enforcement Training Council and Criminal Justice Academy," under "Meetings," <https://www.scstatehouse.gov/CommitteeInfo/HouseLegislativeOversightCommittee/SubcommitteeMinutes/LawSub/June%206,%202017%20-%20Meeting%20Minutes.pdf> (accessed July 27, 2020). A vide of the meeting is available at <https://www.scstatehouse.gov/video/archives.php?key=7151&part=1>. Hereinafter "June 6, 2017 Law Enforcement and Criminal Justice Subcommittee [Minutes](#) and [Video](#)."

ⁱⁱ Ibid.