

SUBJECT: Interest and collection fees for delinquent motor vehicle misdemeanor fines

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 7 ayes — Hill, Bailey, Davila, Ehrhardt, Staples, Tillery, Woolley
0 nays
2 absent — Conley, Thompson

SENATE VOTE: On final passage, March 20 — 26 - 3 (Gallegos, Rosson, Truan)

WITNESSES: None

DIGEST: SB 261 would allow counties, and most cities, to charge interest, collection fees and other expenses on motor vehicle misdemeanors delinquent by 30 days or more. Interest would be calculated on the delinquent fine at a rate of 1 percent a month; the collection fees would be assessed at 30 percent of the amount of the fine or \$100, whichever was less.

Collection of interest and fees would have to be approved by a vote of a city or county governing body. The bill would apply only to a fine that became delinquent on or after the effective date of the bill, September 1, 1995.

The bill would not apply to fines for parking or stopping a motor vehicle in Austin, if certain conditions were met. The bill states that it would not apply in "a municipality which has disannexed territory previously annexed for limited purposes and which employs the practice of immobilization of motor vehicles with a mechanical device, unless all the parking meters in the municipality accept any coins minted by the United States which have a value between five cents and 24 cents."

SUPPORTERS SAY: Individuals who are a month or more delinquent in paying their traffic fines should be required to pay for the additional expenses related to collecting the fines. City budgets are balanced using anticipated revenue from these traffic fines. When individuals are delinquent in paying their fines, other residents of the city subsidize the delinquents.

Some Texas cities are owed million of dollars in outstanding fines. SB 261 would provide another inducement for people to pay their fines on time. The bill has the potential to raise additional revenue for cities from traffic fines without raising the primary fine for the traffic misdemeanor.

**OPPONENTS
SAY:**

Local traffic fines are already high enough without adding interest and extra fees. If cities need additional revenue, they should tax the residents instead of trying to raise money by instituting these fine enhancements. Most people are likely to pay fines on time without the threat of penalties and interest.

**OTHER
OPPONENTS
SAY:**

There is no legitimate reason to make this provisions applicable statewide yet include an exemption that appears to apply only to Austin. This provision is another attempt to micro-manage the local affairs of the capital city.

NOTES:

SB 261 was amended on the Senate floor to include the exemption for Austin.