

**KEY PROVISIONS OF UNDESIGNATED FEES AND FORENSIC EVALUATIONS
COMPROMISE AS AGREED BETWEEN THE AOC AND CSAC
(AB 139 – Chapter 74, Statutes of 2005)**

- Effective July 1, 2005, the civil assessment maximum is increased from \$250 to \$300. (See amended PC 1214.1 (a).) The counties will no longer receive civil assessments (PC 1214.1) and certain fees, sanctions and penalties identified in former Government Code Section (GC) 68085.5(a) and (f). (See amended GC 68085(c)(2) and new GC 68085.7.)
- Counties will be credited through a reduction to their Fine and Forfeiture Revenue Maintenance of Effort in an amount equal to the net civil assessments they received in FY 2003-2004. An adjustment may be provided for inequities. By this fall, a process for determining the net amounts and inequity resolution will be established. (See new GC 68085.7 and new GC 68085.8.) On or before December 31, 2005, the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC) shall complete an initial review of the impact of changes in revenue distributions upon individual counties and courts. (See new GC 68085.8.)
- Courts and counties are to report to the AOC and CSAC on or before August 31, 2005 the actual gross civil assessments collected, the costs deducted from these pursuant to PC 1463.007, and net civil assessments retained for FY 2003-04. (See new GC 68085.7(c). A template is to be provided for this purpose.)
- If the court and the county do not agree on the civil assessment figures for FY 2003-04, each shall report the amount each believes is correct to the AOC and CSAC on or before August 31, 2005. The AOC and CSAC shall agree on the amount of the MOE reduction for each county on or before October 31, 2005 (GC 68085.7(d).) If agreement cannot be reached the amount will be determined by third-party arbitration by December 31, 2005 (GC 68085.7(e)).
- The statute incrementally reduces and eventually eliminates over a 4-year period the counties' obligation to pay \$31 million to the Trial Court Trust Fund annually pursuant to former GC 68085.5. (See new GC 68085.6.)
 - Counties are obligated to pay \$20 million in FY 2005-06 in two equal installments (see new GC 68085.6(c)); \$15 million in FY 2006-07, \$10 million in FY 2007-08, and \$5 million in FY 2008-09 in four equal installments (see new GC 68085.6(c)); and nothing in subsequent years.
 - Counties not receiving an MOE reduction due to loss of civil assessment revenue will not be obligated to pay anything toward the counties' transfer obligations to the state through 2008-09 described above. (See new GC 68085.6(g)(1).) In addition, no county will pay in FY 2005-06 more than 90 percent of its portion of the \$31 million obligation of the past two years. (See new GC 68085.6(g)(2).)
 - The last year of the counties transfer obligation to the state may be forgiven, in whole or in part, if revenues collected under new GC 68085.6 exceed estimates. (See new GC 68085.6(h).)

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- Penalties will be imposed if the counties do not pay on time. (See new GC 68085.6(e) and (f).) This provision also applies to the counties that have not paid their share of the \$31 million in FY 2003-04 and FY 2004-05. Those counties will have until 9/1/05 to pay without penalties. (See amended GC 68085.5(e)(6).)
- Revenue lost to the court by reduction and eventual elimination of the county payments of \$31 million under GC 68085.5 will be recovered by anticipated new revenue from civil assessment programs and the transfer of certain fees, sanctions and penalties identified in former GC 68085.5(a) and (f). (See new GC 68085.7.)
- Gross civil assessments (see PC 1214.1(f)) and former GC 68085.5(a) and (f) fees collected beginning July 1, 2005 will be deposited in the Trial Court Trust Fund via the AOC Treasury. Bank accounts will be established as soon as practicable for the deposit of these revenues by the court. The counties will remit any revenues they collect under new GC 68085(c)(2), including PC 1214.1, through the usual TC-31 process.
- Key elements to note regarding court and county civil assessment collection programs (PC 1214.1(e)) include:
 - Programs in place as of July 1, 2005 should continue to be maintained thereafter, unless otherwise mutually agreed to by the courts and the counties. (See new PC 1214.1(e).)
 - After implementation of this legislation, if a court and county do not agree on a program, arbitration by a third party mutually agreed upon by the Administrative Director of the Courts and CSAC can be requested by either a court or county. (See new PC 1214.1(e).)
- Cost of collections under a comprehensive collection program must comply with the “pro rata” guidelines determined by the State Controller’s Office. (See PC 1463.007 and new GC 68085.7(f).) Since the gross civil assessments will be remitted to the Trial Court Trust Fund, the court/county costs will be covered from the monthly distributions back to the courts of their share of the civil assessments.
- Until January 1, 2006, the effective date of AB 145 (Chapter 75, Statutes of 2005), fees imposed pursuant to former GC 68085.5(b) are to be retained by the entity that performs the work, i.e., the court or the county. Courts are to report any revenue sharing agreements that include these fees to the AOC.