



State Laws on Legal Financial Obligations

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Montana Criminal Justice Oversight Council

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Who is NCSL?

- Non-profit, bi-partisan organization.
- Members are all 7,386 legislators and 30,000 legislative staff in 50 states, D.C. and U.S. territories.
- Offices in Denver and D.C.
- Among our goals– to provide legislatures with information and research about policy issues, both state and federal.
- NCSL tracks state policy in all public policy areas.



Roadmap

1. What are Legal Financial Obligations
2. Who Imposes and Collects LFOs
3. Arguments For and Against LFOs
4. LFOs By the Numbers
5. LFOs and Public Safety
6. Assessment and Collection of LFOs
7. Collateral Consequences of Accumulating LFOs
8. Trends in and Examples of Recent LFO Legislation



What are Legal Financial Obligations?

Fines:

- Monetary punishments for infractions, misdemeanors, or felonies
- Punish offenders and deterrence effect

Fees:

- Itemized payments for court activities, supervision, or incarceration, charged to defendants
- Support operational costs



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Who Imposes and Collects LFOs?

State and Local Courts

- State court structure vary widely and heavily impact the imposition and collection of court fines and fees.

Probation, Parole, Supervision Department

District Attorney Offices and Offices of the Public Defender

Decentralization

- County courts collect fines and fees to place in the county treasury.
- Municipal court collect fines and fees to be paid into the city treasury.



Share of General Revenues

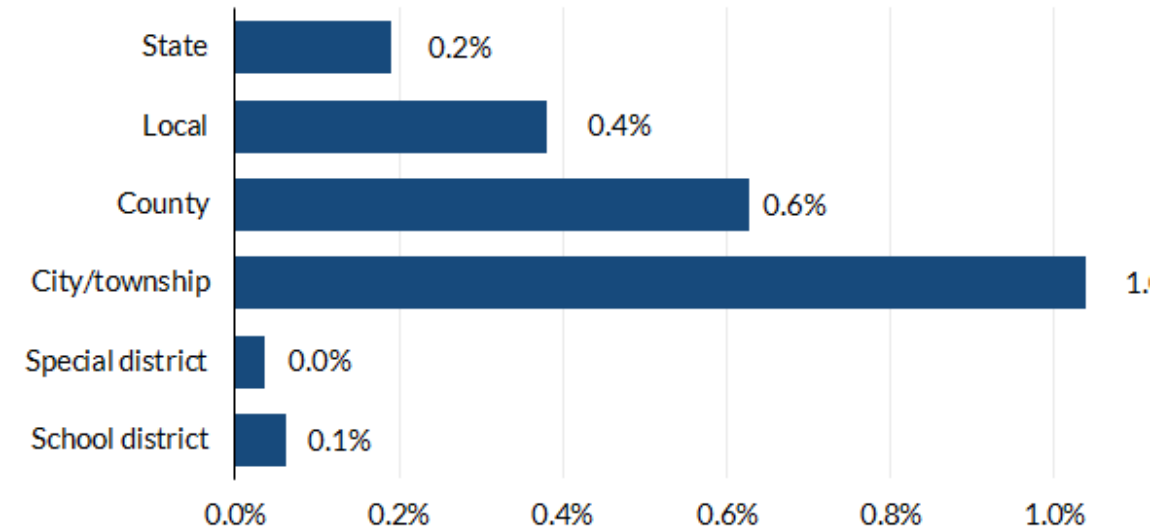
- *"In general, smaller cities and townships tend to rely more heavily on fines, fees, and forfeitures than larger cities. On average, **cities with populations under 100,000 raised 2.6 percent of general revenue from fines, fees, and forfeitures** in 2017, while cities with populations over 100,000 collected 1.6 percent from fines, fees, and forfeitures."*
- *"Many state and local governments also lack sufficient data to assess the efficacy of their-court imposed fines and fees because they do not closely track the costs of ensuring enforcement and compliance . . ."*

Source: Tax Policy Center

FIGURE 2

Fines, Fees, and Forfeitures

Share of general revenues, by level of government, 2021



Source: US Census Bureau, Annual Survey of State and Local Government Finances (2017 and 2023).

Notes: Data for county, city/township, special district, and school district governments are from 2021. The Census only publishes data for these governments for fiscal years ending in 2 and 7.



Arguments for and against LFOs

Arguments For The Use of LFOs



Court Funding



Deterrent



Taxpayers

Arguments Against The Use of LFOs



Barriers to
paying and
collecting



Justice



Financial Hurdles

By The Numbers



1 in 5 adults charged fines or fees in past 12 months



54% were charged \$500 or more in court-related costs



Nearly 1 in 4 adults have unpaid fines or fees from prior years



26% were offered at least one option to afford their fines and/or fees



Of those who owed court-related fines or fees:

61 percent were likely to face food insecurity

50% were likely to face housing, utility, and healthcare hardships

Source: Tax Policy Center

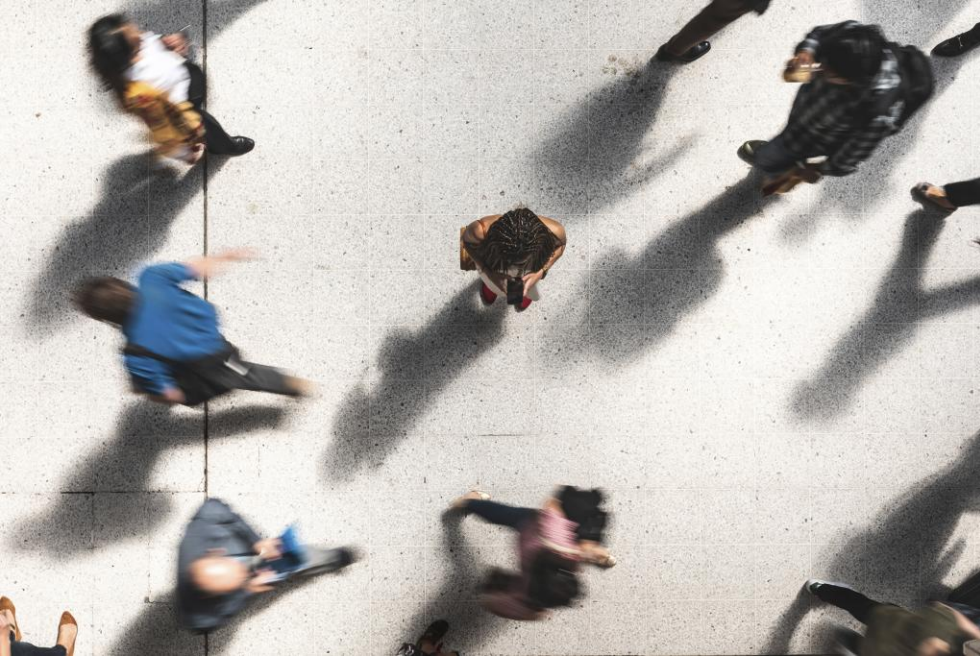
LFOs and Public Safety

New Mexico

- 41% of respondents stated they committed a crime to pay off court-ordered fines and fees
- Greater than two-thirds of respondents stated they had also been victims of crime

Alabama

- 38% of respondents admitted to having committed at least one crime to pay off existing court debt
- 20% committed more serious crimes than the crime that precipitated the monetary sanction



HOW MANY PEOPLE
PAY LFOS?

HOW MUCH DO THEY
PAY?



HOW MUCH IS
COLLECTED?

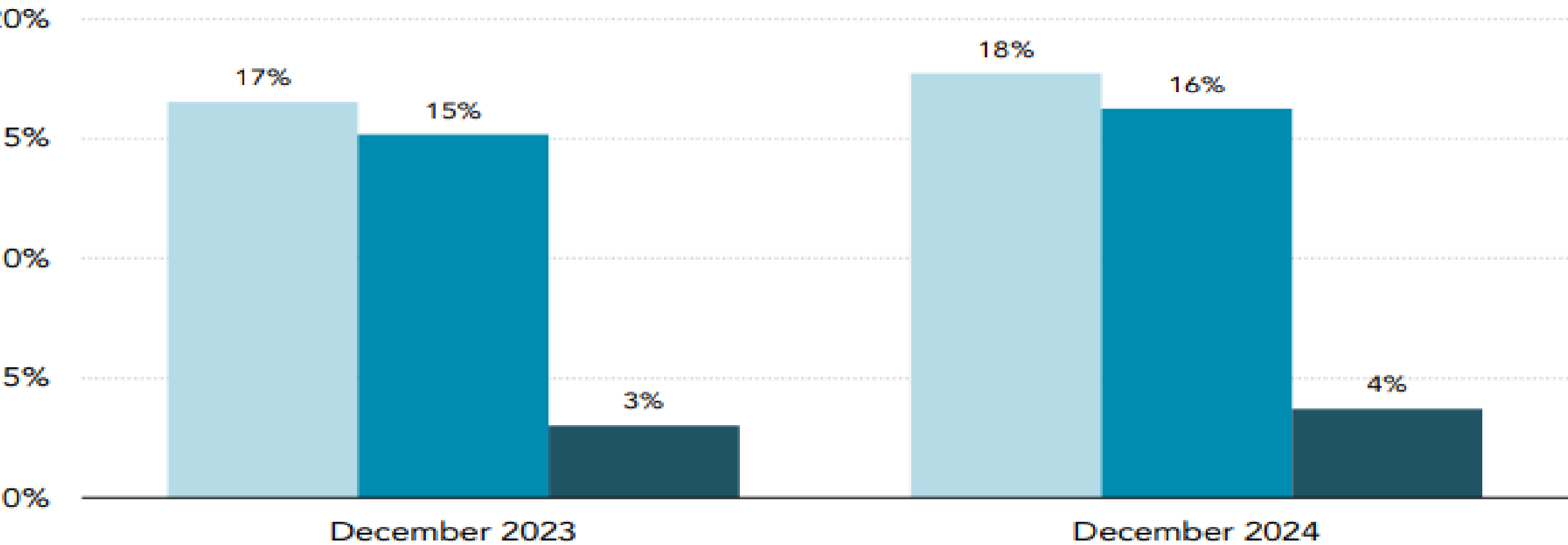
FIGURE 1



Fines and Fees Charged in the Past 12 Months

Among adults ages 18 to 64, December 2023 and December 2024

Any fines or fees Traffic or parking tickets Court- or incarceration-related costs



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2023 and December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 months. Because respondents could report multiple types of fines and fees, the categories shown are not mutually exclusive and do not sum to the total share of adults reporting any fines or fees.

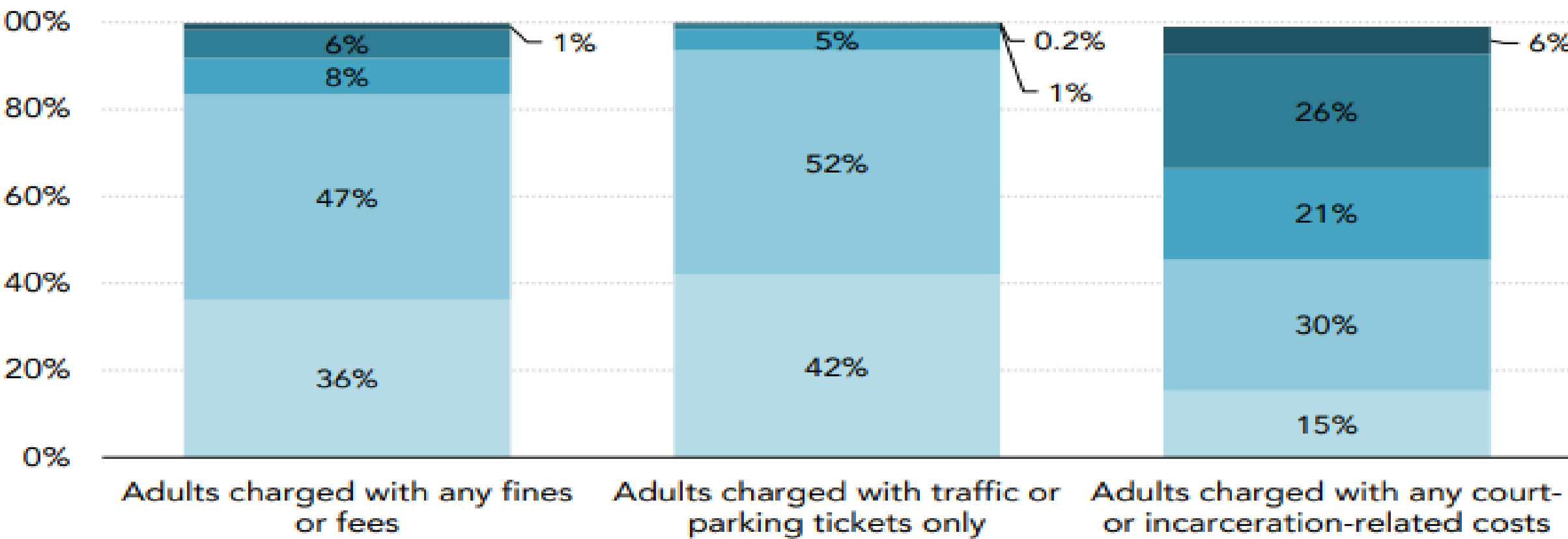
FIGURE 2



Amounts of Fines or Fees Charged in the Past 12 Months

Among adults ages 18 to 64, December 2024

■ Less than \$100 ■ \$100 to \$499 ■ \$500 to \$999 ■ \$1,000 to \$4,999 ■ \$5,000 or more



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Estimates are not shown for the 0.2 percent of adults who did not report the amount they were charged. Data include respondents or their household members who were charged fines or fees in the past 12 months. All estimates for adults charged with court- or incarceration-related costs differ significantly from estimates for adults charged with traffic or parking tickets only at the 0.01 level, using two-tailed tests.

Stats on how much is collected?

Expenditure to Collect:
up to \$1.7 for every \$1
actually collected in
2021

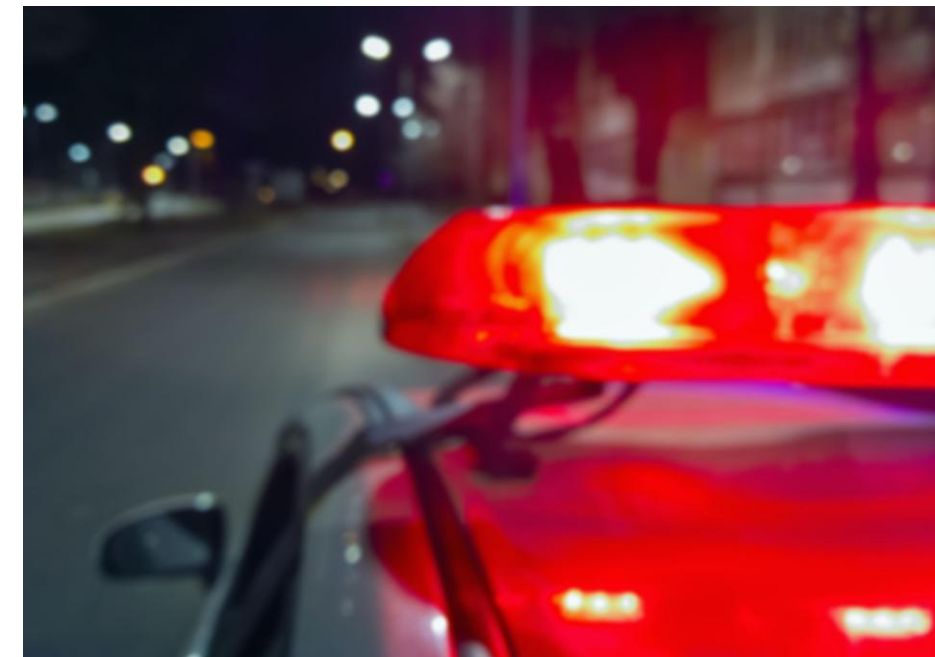
On Average: studied
jurisdictions spent
\$0.41 for every dollar
they collected

In 2017, Bernalillo
County, New Mexico
had a net loss of \$316
after costs of collection
were evaluated

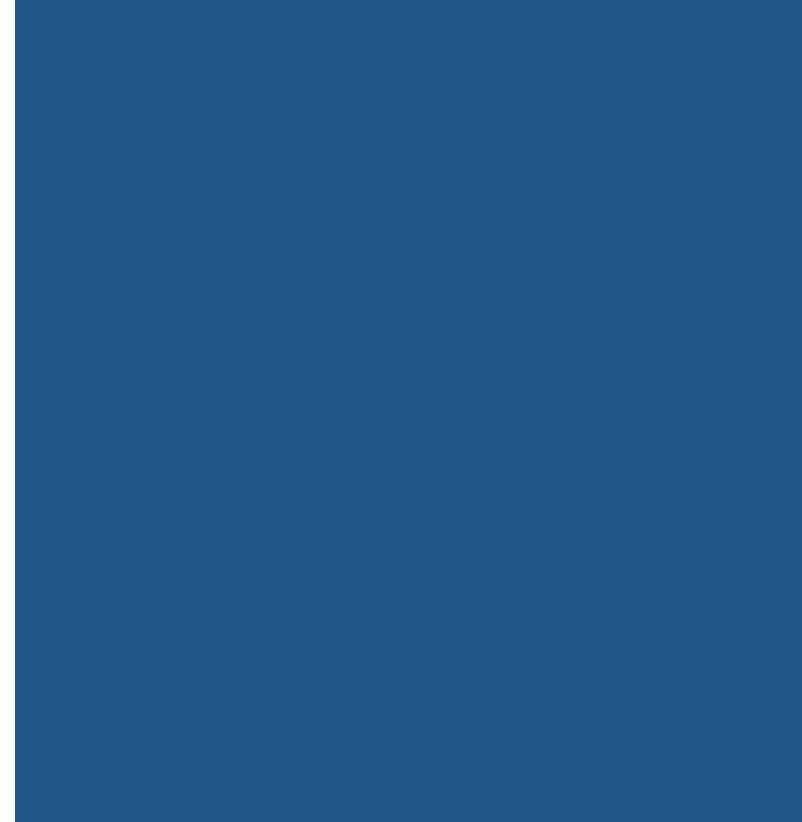
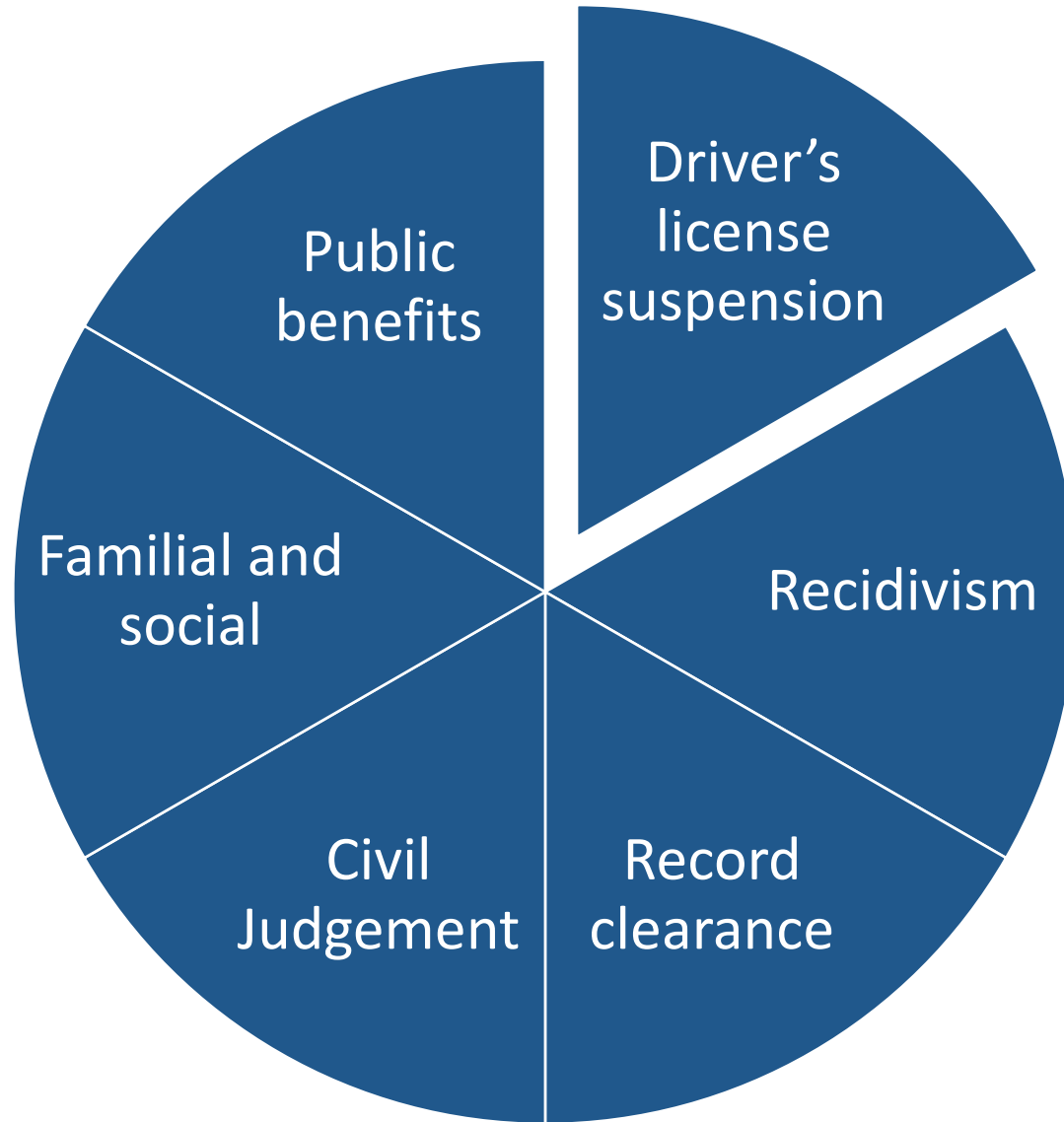
In 2017, Leon County,
Florida had a net gain
of \$827 after costs of
collection were
evaluated



NON-PAYMENT



Collateral Consequences of Accumulating LFOs





Trends in LFO Legislation

An Overview of the Options

Eliminate Most Fees



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Recent Legislation: New Mexico

Elimination of all parole supervision fees statewide (2025)

Elimination of driver's license suspension on the basis of failure to pay fines and fees (2023)

Elimination of all post-adjudication fees for state courts, state mandated post-adjudication fees for municipal courts, and all bench warrant fees (\$100/warrant) (2023)

Eliminate Some Fees, Implement Ability to Pay Assessment



Recent Legislation: Arkansas

Elimination of \$15 court technology fee charged in criminal and traffic cases (2025)

Established the Justice System Fee Task Force study to make recommendations regarding the “excessive number of fees on individuals charged with or convicted of crimes or otherwise involved in the justice system.” (2025)

Requires the court to make an ability to pay finding before suspending a person’s driver’s license for unpaid fines and fees (2025)

Implementing Ability to Pay Assessments with Alternatives

Recent Legislation: Utah, Oklahoma, and North Dakota



Utah updated compensatory service rules to credit a person's out-of-pocket costs of any court-ordered treatment or course toward payment of their criminal fines. (2025)

Oklahoma HB 1460 (2025) implemented a day fines system, where fines are tied to a percentage of an individual's daily income, and, in doing so, allows offender to complete community service in lieu of or to help pay off the day fines.

North Dakota HB 1417 (2025) removes the \$55/month supervision fee charge. The bill also eliminates costs for indigent defense services and repeals the authority of the court to reimburse indigent defense costs and expenses. Allows work/service in lieu of all or part of a fine.

Other Strategies



Recent Legislation: Alabama

Increased both civil and criminal court costs by \$50 to fund the maintenance, repair, and operation of a county jail (2025)

Limited DL suspensions for failure to pay a fine, fee, or court costs to instances where an individual has missed more than one post-adjudication hearing or three or more installment payments (2023)

Created a commission to study court costs and make recommendations for increased uniformity in assessment, collection, and distribution of funds. (2025)

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Other LFO Legislation Enacted

Nevada [SB 416 \(2023\)](#):

- Eliminates "room and board" fees.
- Eliminates medical co-pays.
- Applies to the state's prisons.

New Hampshire [HB 2](#) (2025):

- Eliminated counsel fees, forgave outstanding counsel fees debt and dissolved the state agency whose sole responsibility was collecting these fees

Delaware [HB 244 \(2022\)](#)

- Prohibits driver's license suspension for failure to pay court debt.
- Eliminates public defender and probation supervision fees.
- Estimated General Fund loss = \$1,195,800.
 - One time appropriation of \$100,000 in 2023.
 - Recurring appropriation to Administrative Office of the Courts = \$216,000.

Additional Resources

- **NCSL**
 - [Reentry and Criminal Records Enactment Legislation Database](#)
 - [Assessing Fines and Fees in the Criminal Justice System](#) (2020)
- **Tax Policy Center**
 - [Fines, Fees, and Financial Strain: Challenges for State and Local Governments in a Time of Fiscal Uncertainty](#) (2025)
 - [How Fines and Fees Impact Family Well-Being](#) (2024)
 - [How do state and local revenues from fines, fees, and forfeitures work?](#) (2024)
- **National Center for Access to Justice**
 - [Ability to Pay: Closing the Access to Justice Gap with Policy Solutions for Unaffordable Fines and Fees](#) (2024)
- **Fines and Fees Justice Center**
 - [Interim Survey Results: The Impact of New Mexico's Fines and Fees](#) (2023)
 - [How fines and fees hurt people, undermine public safety, and drive Alabama's racial wealth divide](#) (2018)





Thank you for joining today!

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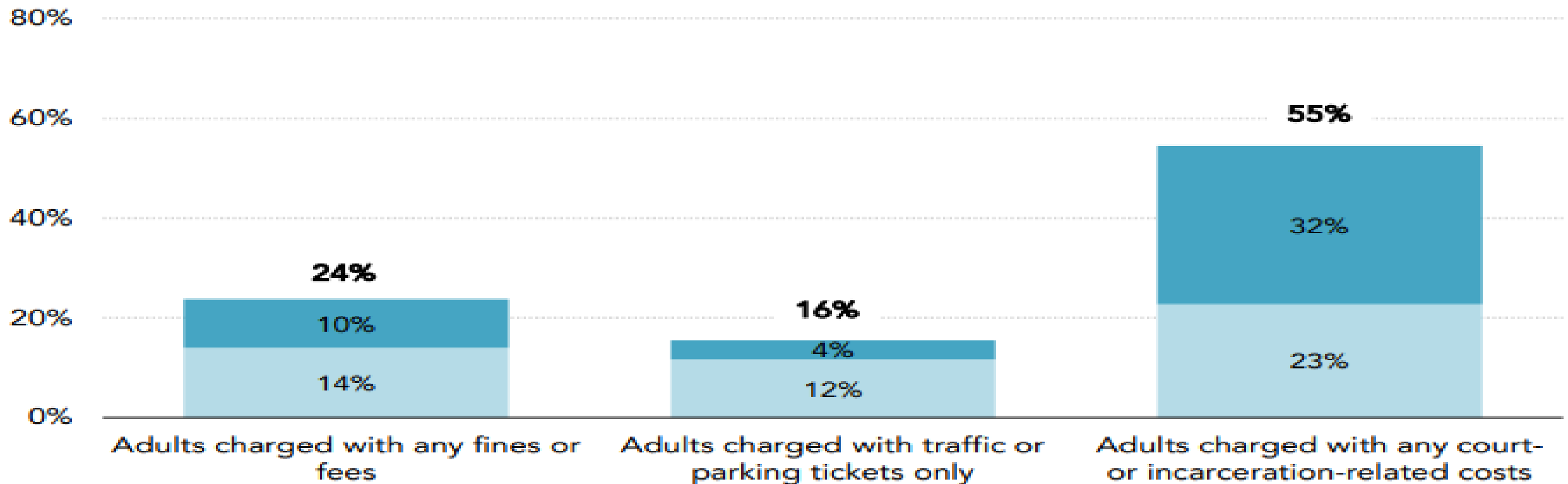
444 North Capitol Street, N.W.
Suite 515,
Washington, D.C. 20001

FIGURE 4

Prevalence of Outstanding Debts from Fines and Fees

Among adults ages 18 to 64 who were charged fines or fees in the past 12 months, December 2024

■ Owes less than \$500 in unpaid fines or fees ■ Owes \$500 or more in unpaid fines or fees



Source: Urban Institute's Well-Being and Basic Needs Survey, December 2024.

Notes: Data include respondents or their household members who were charged fines or fees in the past 12 month. Estimates reflect the share who currently owe money for unpaid fines or fees incurred in the past year or prior years. All estimates for adults charged with court- or incarceration-related costs differ significantly from estimates for adults charged with traffic or parking tickets only at the 0.01 level, using two-tailed tests.