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# FISCAL UPDATE Article

Fiscal Services Division

April 21, 2020



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Ground Floor, State Capitol Building

Des Moines, Iowa 50319

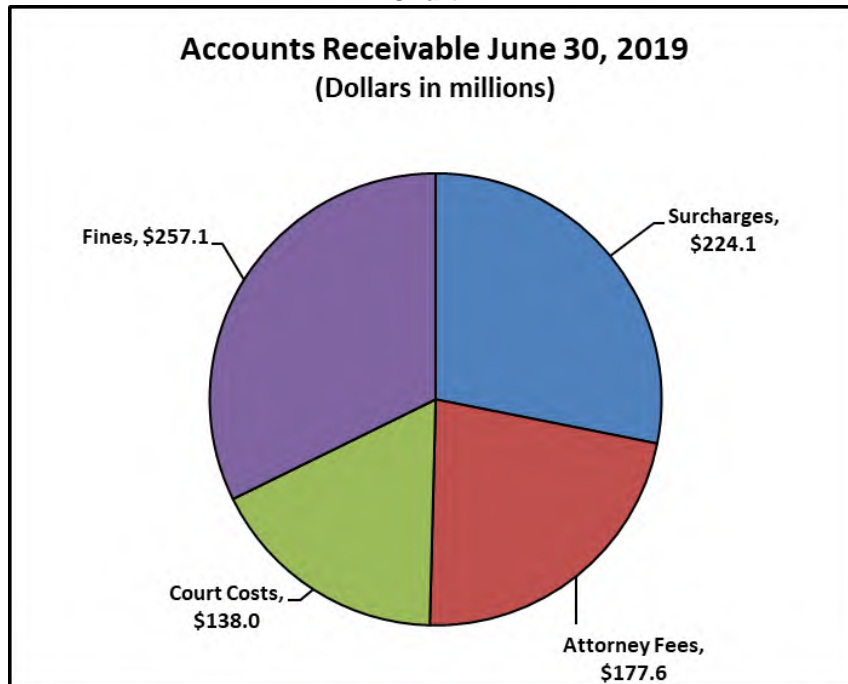
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## FY 2019 COURT DEBT COLLECTION REPORT

**Court Debt Report.** As required by Iowa Code section [602.8107](#), the Judicial Branch has filed a report on the FY 2019 collections of outstanding court debt. For more information regarding the history and structure of the court debt collection system, see [Issue Review: Court Debt Collection](#).

**FY 2019 Outstanding Court Debt.** At the end of FY 2019, the outstanding court debt owed to the State totaled \$796.8 million. Criminal debt and traffic debt comprise a large portion of the total outstanding debt at \$567.7 million (71.0%) and \$189.6 million (24.0%), respectively. Debt that is up to 1 year old accounts for \$88.5 million (11.0%) of the total, and debt 10 years or older accounts for \$304.0 million (38.0%). No debt was written off as uncollectable. **Chart 1** shows the June 30, 2019, court debt owed to the State by category, as reported by the Judicial Branch.

Chart 1

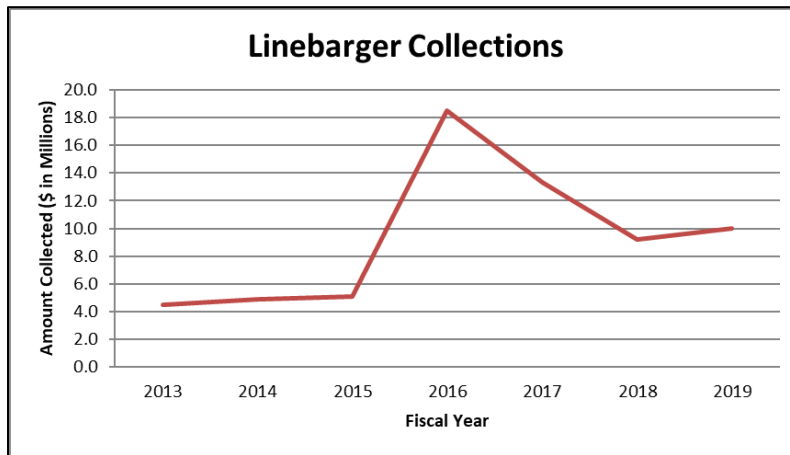


**Private Collector.** Linebarger, Goggan, Blair, and Sampson, L.L.P. (Linebarger), is the designated private collector for the State. Linebarger began collecting for the State on December 1, 2010. The contract is currently continued on a month-to-month basis. In FY 2019, Linebarger collected \$10.0 million, an increase of approximately \$800,000 from FY 2018. **Chart 2** shows the annual amount collected by Linebarger since it began collecting in FY 2012.<sup>1</sup>

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<sup>1</sup> In FY 2016, Linebarger started receiving the debt at the time of delinquency, instead of one year later. The newer debt contributed to the large increase in collections by Linebarger in FY 2016.

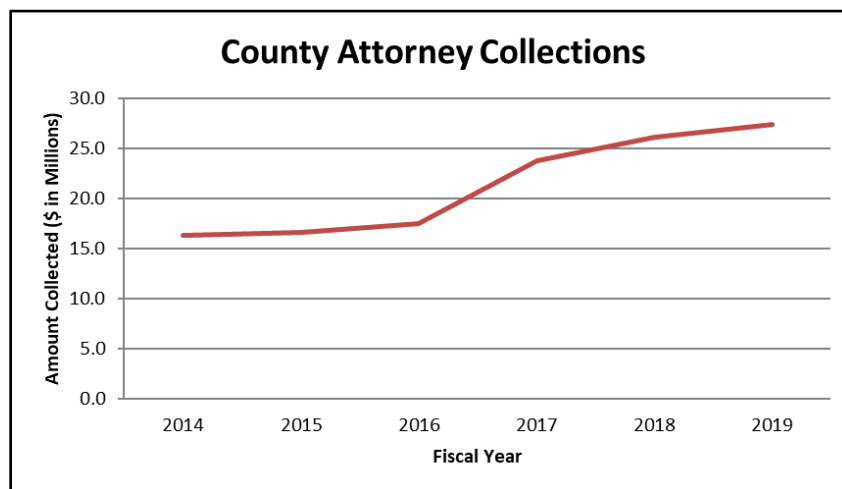
Chart 2



Under Iowa Code section [602.8107\(5\)\(b\)](#), the delinquent court debt collected by a private debt collector is distributed to the State. As compensation, the private collector is permitted to assess a 25.0% collection fee in addition to the court debt owed.

**County Attorney.** In FY 2019, about \$27.4 million was collected and deposited as revenue for the State and participating counties. This number does not reflect the total amount collected because county attorneys do not receive any portion of funds collected for victim restitution, the Victim Compensation Fund, the Criminal Penalty Surcharge, the Drug Abuse Surcharge, the Law Enforcement Surcharge, the County Enforcement Surcharge, the Department of Transportation Civil Penalty, setoff procedures under Iowa Code section [8A.504](#), or sheriff’s fees. **Chart 3** shows the annual amount collected by county attorneys since FY 2014.<sup>2</sup>

Chart 3



In FY 2019, \$18.8 million was deposited with the State and \$8.6 million was deposited with the counties. Funds collected by the counties are deposited in the county general fund. Once the required collections threshold has been met, the county revenue is distributed. **Table 1** shows the distribution of county attorney debt collection revenue for the past five years.

<sup>2</sup> In FY 2017, the county attorney started receiving the debt at the time of delinquency, instead of after 90 days. The newer debt contributed to the large increase in collections by county attorneys in FY 2017.

**Table 1**  
**County Attorney Revenue Distribution**  
**(Dollars in Millions)**

Fiscal Year	State	County	Total Revenue	% Change
2014	8.4	7.9	16.3	—
2015	8.6	8.0	16.6	1.84%
2016	9.1	8.4	17.5	5.42%
2017	16.4	7.5	23.9	36.57%
2018	17.9	8.2	26.1	9.21%
2019	18.8	8.6	27.4	4.98%

Under Iowa Code section [602.8107\(4\)\(b\)](#), delinquent court debt collected by the county attorney is distributed between the county and the State General Fund. When a county attorney elects to collect court debt, the county attorney must meet a certain collection threshold as determined by the county’s population. Prior to reaching the collection threshold, 72.0% is distributed to the State General Fund and 28.0% to the county general fund. Once the county surpasses that collection threshold, the funds are distributed as follows: 67.0% to the State General Fund, 28.0% to the county general fund, and 5.0% to the office of the county attorney.

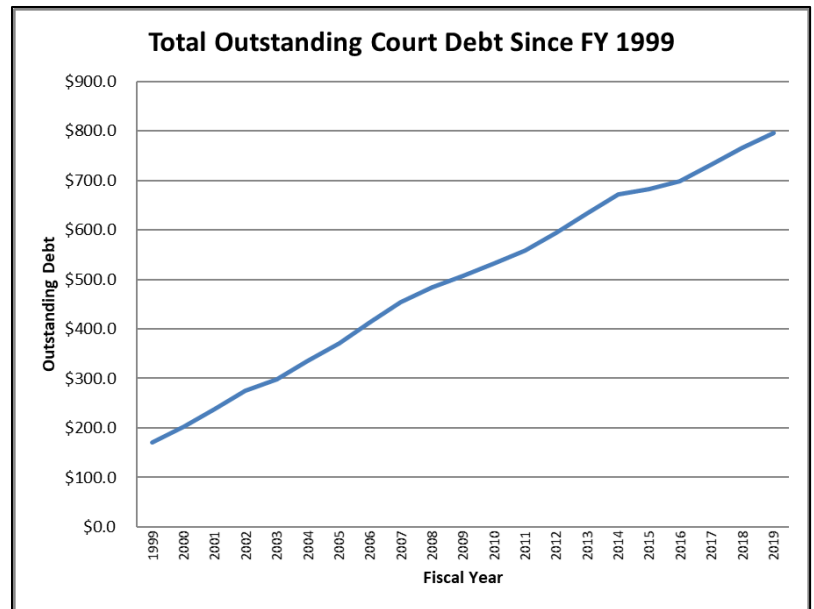
**Court Debt Historical Information.** Outstanding court debt has grown by 293.0% since FY 2000. **Table 2** shows outstanding court debt by fiscal year, and **Chart 4** shows the steady increase in court debt since FY 2000. These numbers reflect what is owed to the State of Iowa and do not include debt such as restitution and moneys owed to counties, cities, or sheriffs.

**Table 2**

Outstanding Court Debt By Fiscal Year (Dollars in Millions)			
Fiscal Year	Outstanding Court Debt	Annual Increase	Percent Increase
1999	\$171.5	-----	-----
2000	\$202.9	\$31.4	18.3%
2001	\$237.7	\$34.8	17.2%
2002	\$275.2	\$37.5	15.8%
2003	\$298.5	\$23.3	8.5%
2004	\$334.8	\$36.3	12.2%
2005	\$371.4	\$36.6	10.9%
2006	\$412.5	\$41.1	11.1%
2007	\$453.7	\$41.2	10.0%
2008	\$484.7	\$31.0	6.8%
2009	\$506.5	\$21.8	4.5%
2010	\$532.8	\$26.3	5.2%
2011	\$558.2	\$25.4	4.8%
2012	\$594.9	\$36.7	6.6%
2013	\$633.5	\$38.6	6.5%
2014	\$671.5	\$38.0	6.0%
2015	\$682.7	\$10.7	1.6%
2016	\$699.1	\$16.9	2.4%
2017	\$731.9	\$17.0	2.5%
2018	\$766.7	\$34.8	4.8%
2019	\$796.8	\$30.1	3.9%

Source: Judicial Branch

**Chart 4**



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