



Iowa Department of Revenue

Director: Mark R. Schuling
Hoover State Office Building
Des Moines, Iowa 50319
www.state.ia.us/tax

January 13, 2011

Mr. Dick Oshlo
Director
Iowa Department of Management
State Capitol Building

Mr. Glen Dickinson
Director
Iowa Legislative Services Agency
State Capitol Building

Office of the Secretary of Senate
Iowa Senate
For the Legislative Appropriations Committee
State Capitol Building

Office of the Chief Clerk
Iowa House of Representatives
For the Legislative Appropriations Committee
State Capitol Building

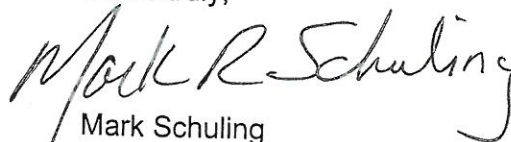
Re: Court Debt Amnesty

Dear Mr. Oshlo, Mr. Dickinson, and Members of the Legislative Fiscal Committee:

Senate File 2383, 83rd G.A., 2d Sess. §23 (Iowa 2010) enacted a Court Debt Amnesty program and required a report of the amounts collected under the program. Please accept the attached report as required by this section.

If you have any questions or further information is needed, please let me know.

Yours truly,


Mark Schuling
Director

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HOUSE OF REPRESENTATIVES

2010 Iowa Court Debt Amnesty

Executive Summary

During its 2010 Session the General Assembly enacted Senate File 2383 creating a Debt Amnesty Program for certain outstanding court debts. The Amnesty provided that fifty percent of outstanding eligible debt be forgiven upon payment of a lump sum equal to fifty percent of the eligible debt. The Amnesty was offered from September 1 through November 30.

Eligible debt was defined as:

- Outstanding court debt imposed on cases prior to December 1, 2006.
- The debt must be owed to the state as defined in Iowa Code §602.8107 (2009).

Ineligible debt was defined to include:

- Outstanding court debt imposed on cases on or after December 1, 2006.
- Victim restitution as defined in Iowa Code §910.1 (2009).
- Fines or fees payable to cities.
- Civil penalties and reinstatement fees assessed by the Department of Transportation.
- Child support and/or alimony obligations.
- Jail fees charged pursuant to Iowa Code §356.7 (2009).

In addition certain individuals were not eligible. These individuals included:

- Individuals currently in an established approved payment plan.
- Individuals incarcerated or under supervision of the Department of Corrections.

During the amnesty period the Department received 13,658 applications and 13,589 payments. 13,511 applications were approved and 147 were denied. Many applicants had more than one eligible case. The number of cases on which payments were received totaled 25,442.

	Count	\$ Amount
Approved Amnesty	13,511	\$ 3,099,295.12
Ineligible Payments		282,609.11
Total	13,511	\$ 3,381,904.23

In some instances payments were received on cases ineligible for amnesty. Ineligible Payments were sent to the Judicial Branch for application to the appropriate cases. In other instances the payment exceeded the amount eligible for amnesty. In those cases the amnesty was first satisfied and any excess payment was applied to other ineligible court debt owed by the individual.

Additional benefits were derived by identifying over 14,000 deceased obligors, verifying addresses for nearly 250,000 obligors and by reminding these individuals of their obligation.

The total direct cost of the amnesty program was \$616,390.41. The amnesty generated \$5.49 for every dollar spent.

Amnesty Program Activities

The amnesty program was a cooperative effort between the Department of Revenue and the Judicial Branch. The Judicial Branch provided information required to identify eligible obligors and the amount of eligible debt associated with each case. The Department of Revenue updated address information for obligors, mailed preprinted applications, provided a telephone call center and web-site for obligors, and advertised the program. The State Lottery provided valuable assistance in creating the advertising program. The Department and Judicial Branch cooperated in approving applications and posting payments to the Judicial accounting system.

The Judicial branch submitted an initial list of 1,150,732 potentially eligible cases. The Department edited the list to remove cases that did not meet all eligibility criteria and cases that contained inadequate data to identify the obligor. The Department certified eligibility for 323,609 individuals and a total of 846,142 cases. Those obligors owed a total of \$276,620,074.42.

Certified Obligor	323,609
Certified Cases	846,142
Total Debt Amount	\$276,620,074.42

The Department attempted to obtain addresses for each of the 323,609 eligible individuals. We identified 14,631 individuals as deceased, 2,409 as incarcerated and we were unable to verify valid addresses for 60,215 individuals. The Department mailed preprinted applications to 246,354 obligors who owed a total of \$212,900,720.93.

Each preprinted application contained the name of the obligor, the eligible case numbers, the total amount owed and the amount that was required to be paid to be granted amnesty.

Applications mailed	246,354
Application Debt Amount	\$212,900,720.93

In addition to the preprinted applications the Department established a media campaign, call center and web-site to assist applicants and provide outreach to anyone that could not be reached through the preprinted applications.

Unique Website visitors	21,173
Telephone calls answered	17,878
E-mails answered	2,299

Amnesty Promotional Activities

Through existing contracts with the Iowa Lottery, the Department secured the professional marketing services of the Integer Group and Strategic America to develop an advertising campaign and promotional materials for the court debt amnesty program. The theme for the advertising campaign was “Now’s the Time to Pay the Fine”.

The campaign utilized a wide variety of media including television, radio, print, outdoor billboards, and bus ads. The Department also developed a web site for interested individuals to get additional information including a frequently asked questions link and an application form.

A toll free telephone number was secured to reinforce the campaign theme: 888-9-Pay-Fine. A custom domain name for the web site also supported the theme: www.PayTheFineIowa.gov.

Direct Mail

The Amnesty Program launched with a direct mail campaign. The Department sent letters to 246,354 individuals identified through court debt files who were eligible for the program.

Television and Radio

Radio and Television ads utilized the theme that amnesty provides an opportunity to “transition out of debt to a better place”. The ads depicted people moving from darkness into light by taking advantage of the amnesty program. The campaign theme was reinforced with the key benefit of paying half the eligible debt, as well as visual and auditory reminders that “now is the time to pay the fine”.

Television advertisements were purchased on network and cable television stations. These media purchases covered network stations in all sections of the state including Cedar Rapids/Waterloo/Iowa City/Dubuque, Davenport, Sioux City, and Des Moines. Six cable stations also carried the ads statewide. Media purchases for television broadcasts were distributed:

- Early Morning Television 40%
- Daytime Television 10%
- Prime Time News 10%
- Late Night Television 40%

The television advertising accompanied the launch of the program in September. A second round of television advertising followed in November as a reminder of the November 30th deadline for payments. Cable advertising also included ad placement on sporting events over the three month amnesty program.

Radio messages played throughout the campaign with greater frequency and aired in many of the same markets as the television ads. In addition, ads were played throughout the campaign on minority radio stations in Des Moines and Waterloo.

Print Ads

Print advertisements appeared in 179 newspapers across the state to help reach Iowans in all markets. In addition, print ads were placed in five free publications distributed in four large population markets (Des Moines, Cedar Rapids/Iowa City, Davenport, and Sioux City). Additional print ads were sent out in free advertising packets to selected markets based on zip codes.

Print ads supported the campaign highlighting the “Now is the time to pay the fine” theme. As with the billboards, bus boards and other materials, the key program benefit to pay half the fine was also promoted.

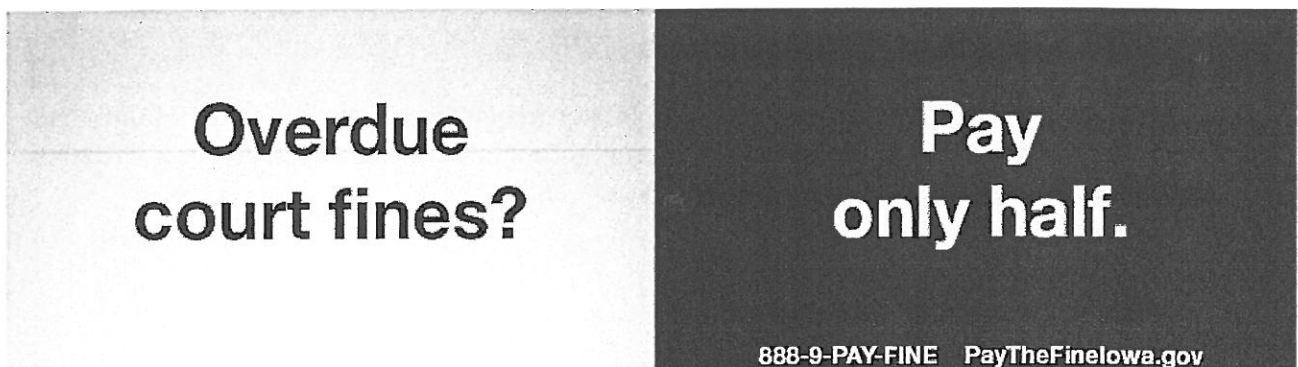
Print Ad Example



Billboard

Outdoor billboard advertisements appeared throughout the campaign in six markets. The location of these billboards was coordinated with the frequency of zip codes appearing in the data set of eligible amnesty participants.

Billboard Example




Posters

The campaign also produced promotional posters replicating the print ads. They were produced in English and Spanish. Posters in both languages were delivered to Clerk of Court offices in all 99 counties. They were also distributed to 21 Public Defender offices. Over 1,000 posters were distributed to counseling and treatment centers throughout Iowa.

Press Release

A press release was sent out to all print, radio, television, and electronic media outlets in the state notifying them of the amnesty program. The Department responded to 30 requests from media for interviews and information concerning the program.

Web Site



PayTheFineIowa.gov

[FAQs](#)
[Who's Eligible?](#)
[Payment Form](#)
[Iowa Courts Site](#)
[Contact Us](#)

Iowa Court Debt Amnesty

Court Debt Amnesty is an opportunity for many people to reduce their outstanding Iowa court debt. The amnesty is only available until November 30, 2010, for certain types of court debt.

Under Court Debt Amnesty if you pay 50% of the total amount of your eligible court debt, the remainder will be waived and your eligible debt will be considered paid in full. We are sending a preprinted application to those who are eligible. The application contains your name, the eligible debt and the amount of your amnesty.

Pay half of what you owe for eligible Iowa court debts by November 30, 2010

Who's Eligible?

Most people who are eligible for this program will receive an application in the mail. Watch for it in September. It will tell you what you owe and how to pay.

If you think you are eligible but don't receive an application, e-mail us at paythefine@iowa.gov or call 1-888-9-PAY-FINE (1-888-972-9346). Wait to receive an application in the mail before sending a payment.

The Department maintained the PayTheFineIowa.gov web site throughout the Amnesty program. The web site was promoted on the home page of the Department of Revenue web site, on the home page of the Official State of Iowa web site, and on the web site of the Judicial Department.

Budget and Expenditures

	<u>Actual</u>	<u>Projected</u>	<u>Difference</u>
Revenue	\$ 3,381,904	\$ 3,200,000	\$ 181,904
Expenditures			
Advertising	\$ 377,972	\$ 400,000	\$ (22,028)
Temporary Help	109,984	125,000	(15,016)
Data Processing	6,299	100,000	(93,701)
Printing and Postage	114,668	100,000	14,668
Telephone and Office Supplies	<u>7,467</u>	<u>25,000</u>	<u>(17,533)</u>
Total Expenditures	\$ 616,390	\$ 750,000	\$ (133,610)
Net Revenue	\$ 2,765,514	\$ 2,450,000	\$ 315,514

Expenditures do not include the salaries or other ongoing expenses of staff who worked on the project from both the Department of Revenue and the Judicial Branch.

Amnesty Application and Approval

To qualify for the amnesty obligors were required to complete and file an application form. Most applicants used the preprinted forms provided through the Department's direct mailing. The Department also provided a web site for the amnesty program from which individuals who did not receive a direct mailing could obtain the application form. A copy of the web application is provided below. A team comprised of staff from the Department's Customer Accounts Section reviewed each application and worked closely with the Judicial Branch to determine if all conditions required to qualify for the amnesty were satisfied. Of the 13,658 applications received, 13,511 were approved and 147 were denied.

The reasons applications were denied are:

- Applicant check was returned for insufficient funds (34)
- Applicant failed to pay (48)
- Applicant did not pay the full amnesty amount (50)
- Applicant is incarcerated (6)
- Payment was for ineligible cases (9)

IOWA COURT DEBT AMNESTY

Application
Due Date: November 30, 2010

Please see instructions on page 2.

Part 1: Applicant Information

Your Last Name	Your First Name	Middle Initial
Street Address	City	State Zip
Telephone Number	E-mail Address	

Part 2: Court Case Information

Case ID Number	Case Title/Description	Eligible Amount Due
Total Amount Eligible (Add lines above)		
Amnesty Amount Due (50% of Total Amount Eligible)		

Part 3: Signature

I declare that I have examined this application and supporting information and to the best of my knowledge it is correct and complete. If I fail to meet all requirements for Iowa Court Debt Amnesty, this application will be declared null and void. If a case contains restitution or other debt ineligible for amnesty, only the eligible portion of that case will be granted amnesty. If my payment is insufficient to pay all eligible debts, or if my payment is for debt ineligible for amnesty, my payment will be retained and applied to the debt as a voluntary payment without benefit of amnesty.

Mail to:
Iowa Court Debt Amnesty
PO Box 10462
Des Moines IA 50306-0462

Signature	Date
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Amnesty Data

Only cases four years old or older were eligible for amnesty. The following table breaks out the age of eligible cases. The total number of cases analyzed for this purpose exceeds the number of cases actually certified. This analysis includes some cases that were subsequently decertified for reasons other than age

Year Beginning	Year ending	Number of Cases	Percent of Cases
2000	2006	541,254	61.92%
1990	1999	309,356	35.39%
1980	1989	14,844	1.70%
1970	1979	255	0.03%
1960	1969	8	0.00%
Invalid Dates		8,435	0.96%
Totals		874,152	100.00%

The chart below tracks payments received on amnesty applications that were approved. A small number of applications had more than one payment. Most payments were for very low balances.

Number of Payments		
\$0 – \$100	9,019	66.7%
100.01 - \$500	2,632	19.4%
\$500.01 - \$1,000	964	7.1%
\$1000.01 - \$5000	900	6.7%
Greater than \$5,000	18	0.1%
Total	13,533	100.0%

Amount of Payments		
\$0 – \$100	282,163	8.3%
100.01 - \$500	656,917	19.4%
\$500.01 - \$1,000	682,227	20.2%
\$1000.01 - \$5000	1,632,816	48.3%
Greater than \$5,000	127,781	3.8%
Total	\$3,381,904	100.0%

Largest Payment \$15,175.71

Gross Amnesty Collections by County

<u>County No</u>	<u>County Name</u>	<u>Number of Accounts Paid</u>	<u>Number of Cases Collected</u>	<u>Total Amount Collected</u>
1	ADAIR	43	54	\$ 5,879.81
2	ADAMS	26	34	\$ 11,358.11
3	ALLAMAKEE	64	108	\$ 22,883.79
4	APPANOOSE	72	109	\$ 13,946.20
5	AUDUBON	27	51	\$ 16,386.23
6	BENTON	152	233	\$ 28,960.15
7	BLACK HAWK	650	1,140	\$ 135,095.72
8	BOONE	126	168	\$ 26,322.75
9	BREMER	117	165	\$ 17,926.70
10	BUCHANAN	130	322	\$ 37,117.59
11	BUENA VISTA	119	191	\$ 26,105.50
12	BUTLER	38	53	\$ 9,543.71
13	CALHOUN	37	51	\$ 3,455.57
14	CARROLL	57	83	\$ 5,908.84
15	CASS	95	134	\$ 19,139.87
16	CEDAR	129	164	\$ 19,918.75
17	CERRO GORDO	293	635	\$ 67,888.99
18	CHEROKEE	44	52	\$ 2,170.76
19	CHICKASAW	105	129	\$ 13,396.03
20	CLARKE	73	95	\$ 14,002.98
21	CLAY	97	129	\$ 17,692.80
22	CLAYTON	114	193	\$ 35,739.98
23	CLINTON	171	237	\$ 46,229.74
24	CRAWFORD	68	101	\$ 17,651.15
25	DALLAS	271	324	\$ 16,490.79
26	DAVIS	33	45	\$ 8,356.06
27	DECATUR	41	44	\$ 5,738.40
28	DELAWARE	60	78	\$ 9,912.17
29	DES MOINES	270	560	\$ 74,136.29
30	DICKINSON	118	209	\$ 21,608.84
31	DUBUQUE	390	755	\$ 98,552.25
32	EMMET	29	36	\$ 4,554.73
33	FAYETTE	133	229	\$ 53,582.55
34	FLOYD	77	123	\$ 11,393.05
35	FRANKLIN	85	113	\$ 8,452.56
36	FREMONT	31	42	\$ 3,539.20
37	GREENE	42	53	\$ 8,176.34
38	GRUNDY	42	68	\$ 6,956.44

39	GUTHRIE	38	63	\$	11,947.16
40	HAMILTON	115	147	\$	11,452.77
41	HANCOCK	36	41	\$	3,372.26
42	HARDIN	91	163	\$	18,980.97
43	HARRISON	73	128	\$	11,313.98
44	HENRY	98	157	\$	26,435.69
45	HOWARD	56	65	\$	9,228.37
46	HUMBOLDT	33	45	\$	6,861.36
47	IDA	30	35	\$	5,416.88
48	IOWA	86	119	\$	15,175.15
49	JACKSON	73	121	\$	12,858.12
50	JASPER	250	355	\$	66,901.26
51	JEFFERSON	59	93	\$	19,897.79
52	JOHNSON	434	772	\$	121,697.98
53	JONES	82	108	\$	16,547.27
54	KEOKUK	45	60	\$	8,815.13
55	KOSSUTH	90	116	\$	17,427.08
56	LEE	368	588	\$	65,531.56
57	LINN	993	2,342	\$	409,663.68
58	LOUISA	42	62	\$	9,531.28
59	LUCAS	28	32	\$	6,221.07
60	LYON	36	42	\$	4,030.28
61	MADISON	41	53	\$	4,982.21
62	MAHASKA	168	225	\$	32,410.34
63	MARION	152	262	\$	47,817.17
64	MARSHALL	304	468	\$	52,926.36
65	MILLS	72	94	\$	8,474.39
66	MITCHELL	42	65	\$	5,727.50
67	MONONA	81	126	\$	18,734.20
68	MONROE	58	88	\$	15,695.43
69	MONTGOMERY	68	104	\$	12,001.82
70	MUSCATINE	157	290	\$	41,809.26
71	O'BRIEN	53	73	\$	10,650.37
72	OSCEOLA	20	26	\$	1,432.36
73	PAGE	62	83	\$	8,053.93
74	PALO ALTO	58	71	\$	5,361.50
75	PLYMOUTH	120	184	\$	16,596.52
76	POCAHONTAS	22	22	\$	5,403.89
77	POLK	2,030	3,812	\$	319,358.59
78	POTTAWATTAMIE	429	742	\$	74,886.30
79	POWESHIEK	94	133	\$	32,490.01
80	RINGGOLD	14	14	\$	466.19

81	SAC	27	37	\$	10,314.44
82	SCOTT	767	1,203	\$	171,518.64
83	SHELBY	25	38	\$	6,596.34
84	SIOUX	121	158	\$	18,374.61
85	STORY	240	292	\$	52,978.99
86	TAMA	136	224	\$	36,068.39
87	TAYLOR	16	19	\$	735.68
88	UNION	84	129	\$	20,934.15
89	VAN BUREN	35	44	\$	7,613.09
90	WAPELLO	272	677	\$	100,168.85
91	WARREN	201	285	\$	27,766.12
92	WASHINGTON	95	155	\$	31,565.71
93	WAYNE	33	40	\$	6,472.39
94	WEBSTER	193	263	\$	33,128.46
95	WINNEBAGO	35	52	\$	4,178.25
96	WINNESHIEK	76	100	\$	10,596.14
97	WOODBURY	717	1,641	\$	264,339.32
98	WORTH	69	84	\$	15,220.22
99	WRIGHT	69	102	\$	22,577.62
		14,881	25,442	\$	3,381,904.23

Many obligors have cases in more than one county.
Therefore the number of accounts paid is greater than the
number of individuals granted amnesty.

Court Debt Amnesty Legislation

Senate File 2383 Section 23 provided for the court debt amnesty program.

Sec. 23. DEBT AMNESTY PROGRAM.

1. A debt amnesty program is established within the office of the state debt coordinator for a period beginning September 1, 2010, through November 30, 2010, for any debt obligation eligible under section 421C.3.

2. A person who is in jail or prison, or who is under supervision, is not eligible for the program during the period of incarceration or supervision.

3. A person who is paying delinquent court debt through an established payment plan enumerated in section 421C.3, subsection 4A, is also not eligible for the program.

4. Under the program the state debt coordinator is authorized to forgive an amount equal to fifty percent of any eligible debt obligation due.

5. Payment to the state debt coordinator under the program shall be provided in a lump sum.

6. The program shall provide that upon written application and payment of an amount equal to fifty percent of eligible debt obligation due to the state, the state shall forgive any remaining balance of eligible debt obligation due and shall not seek any contempt or civil action, or criminal prosecution, against the person related to the eligible debt obligation forgiven under the program. Upon the forgiveness of the unpaid portion of the eligible debt pursuant to this program, the eligible debt shall be considered paid in full by the state.

7. The written application shall contain all case numbers associated with the eligible debt obligation due, and a general description of such debt.

8. Failure to pay the amount agreed upon by the date specified shall bar the person's participation in the program.

9. A person who participates in the program shall relinquish all administrative and judicial rights to challenge the imposition and the amount of eligible debt obligation owed.

10. If a driver's license is reinstated as a result of participating in the program, the person shall be required to pay a reinstatement fee as provided in section 321.191, any civil penalty assessed pursuant to section 321.218A, 321A.32A, or 321J.17, and provide proof of financial responsibility pursuant to section 321A.17, if otherwise required by law.

11. Upon paying the amount required under subsection 5, the state debt coordinator shall provide the person with a certified document detailing the case numbers paid in full under the program. Any state department, agency, or branch shall, upon the filing of a certified document detailing the cases paid in full under the program, indicate in the records of the department, agency, or branch that the case is in fact paid in full with respect to the eligible debt obligations paid under the program.

12. The state debt coordinator shall prepare and make available debt amnesty application forms which contain requirements for approval of an application. The state debt coordinator may deny an application that is inconsistent with this section.

13. In order to promote and market this program, the director of the Iowa lottery shall collaborate in the use of the television, print, and radio advertising.

14. The department of revenue shall cooperate with the state debt coordinator in administering this program and shall cooperate with the state debt coordinator in establishing the debt settlement program under section 421C.3.

15. The director of revenue shall establish an account and shall deposit in the account all receipts received under the debt amnesty program. Not later than the fifteenth day of each month, the director shall deposit amounts received with the treasurer of state for deposit in the general fund of the state.

16. The state debt coordinator by January 15, 2011, shall provide a report to the chairpersons and ranking members of the senate and house committee on appropriations and to the legislative services agency that details the amounts collected under the program, including the classification of debt collected and the county of residence of persons granted amnesty.