

# MISSOURI COURTS TAX OFFSET AND DEBT COLLECTION PROGRAMS

by The Office of the State Courts Administrator

Collecting delinquent court costs, fines, and fees can be an extremely time-consuming task for court staff.

## Why Do Courts Need To Enforce Financial Sanctions?

- Public trust in the judiciary's ability to enforce the rule of the law is compromised when financial sanctions go unpaid.
- The state, counties, and municipalities receive vital revenue that can be used to help support ongoing operations and improvements.

In the past, courts would attempt to collect overdue costs by issuing show cause orders and warrants. Both of these collection practices are very labor intensive, using valuable court and staff resources with limited success. Instead of trying to collect delinquent costs, fines, and fees the old-fashioned way, courts using Justice Information System (JIS), the Missouri courts automated case management system, can participate in the Missouri Courts Tax Intercept Program and the Missouri Courts Debt Collection Program. The purpose of these programs is to augment current collection efforts to ensure that people owing a debt to the court comply with the orders of the court.

## Why Do Courts Need The Missouri Courts Tax Offset And Missouri Courts Debt Collection Programs?

- Participation in these programs reduces the amount of valuable court and staff time utilized for collection activities.
- The state and the courts receive vital revenue that can be used to help support ongoing operations and improvements.
- Participation in these pro-

grams satisfies state audit requirements of collection efforts on delinquent court costs, fines, and fees.

## Missouri Courts Debt Collection Program

Since the inception of the program (June 2004), over \$5 million has been collected and sent to the courts. As of August 2008, 54 counties (including two municipal courts) participate in the Missouri Courts Debt Collection Program.

### Legal Basis

Effective July 1, 2003, Section 488.5030 RSMo authorized the courts to contract with private providers of collection agency services to collect past-due, court-ordered penalties; fines; sanctions; court costs, including restitution and juvenile monetary assessments or judgments to the state of Missouri or one of its political subdivisions and al-

lows the cost of collections to be added to the amount due, not to exceed 20 percent of the amount collected.

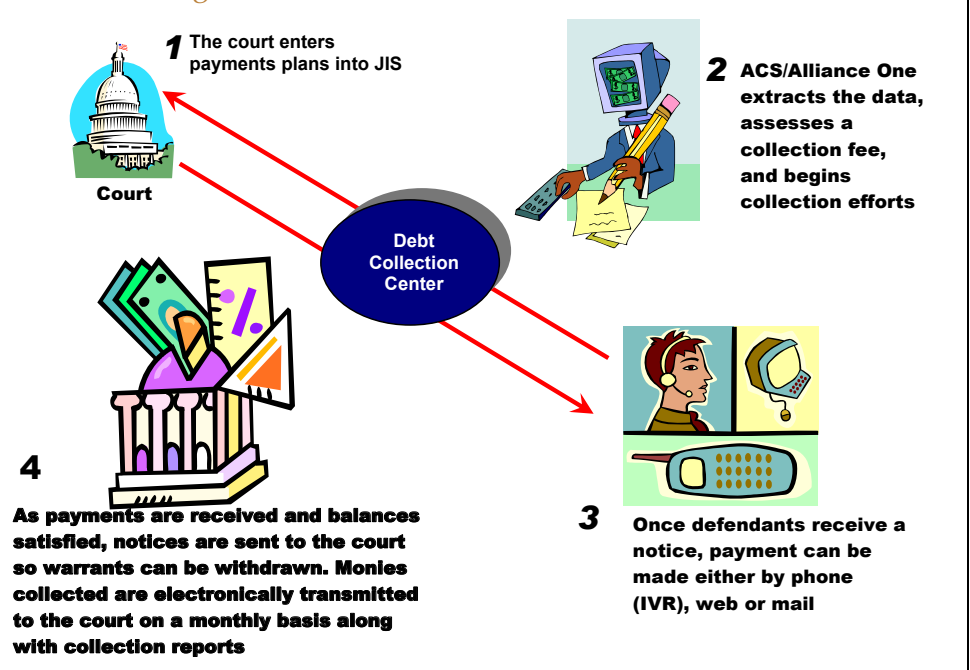
The Office of State Courts Administrator (OSCA), on behalf on the Judiciary, has signed a contract with ACS Government Services, Inc. to provide debt collection services to the courts. ACS (Affiliated Computer Services) is a provider of diversified business process and information technology outsourcing solutions to commercial and government clients worldwide. ACS has subcontracted with Alliance One Receivables Management, Inc. for debt collection services.

## How the Missouri Courts Debt Collection Program Works

*Criteria For Participation In Debt Collection*

- The court must use the JIS case management system.

### How The Program Works



- The court must enter into a Memorandum of Understanding with OSCA.

- Only “eligible” costs [costs, fines, fees, restitution (while on probation), or other sums ordered to be paid to the state or political subdivision] may be submitted to ACS/Alliance One.

- The amount of delinquent debt must total more than \$5.00.

- The due date on the payment plan must be at least 60 days past due.

- The court must accept the standard notices and processes as jointly developed by ACS/Alliance One and the courts.

- The court must have a bank account that is capable of electronically receiving the collections from ACS/Alliance One.

### Missouri Courts Tax Offset Program

An individual’s Missouri state tax refund is offset for delinquent court costs, fines, and/or fees. Since the inception of the program (January 2004) almost \$3 million has been collected. Eighty-four percent of intercepts occur in January, February, and March of each year. It is important that courts sign up for the tax offset program and enter payment plans in JIS prior to January to ensure they collect as much money as possible.

*Legal Basis*

Section 488.5028 RSMo provides that if a person fails to pay court costs, fines, fees, or other sums ordered to be paid to the state or political subdivision, a court may report any debt in excess of \$25.00 to the OSCA. OSCA will report the amount of delinquent fines, fees, and court costs to the Department of Revenue (DOR) to offset Missouri tax refunds that may be due to the individual.

Effective July 1, 2006, Missouri Court Operating Rule 21.06 requires all courts utilizing the JIS participate in the Missouri Tax Offset Program. All other courts are required to participate in the tax offset program within six months of JIS implementation within the court.

### *High Level Overview Of Missouri Court Tax Offset Procedures*

1. The court enters court costs, fines, and fees on payment plans in JIS.

2. Payment plans meeting criteria are identified for submittal from the JIS database.

3. OSCA creates an electronic file that is submitted to DOR once a week.

4. DOR notifies OSCA of the matches, prints notices for the defendant and spouse (if it is a joint return), and forwards intercepted funds to the Missouri Office of Administration (OA). Intercepted funds are held in an escrow account for 45 days to allow time to pro-

cess any applications for review and/or requests for spousal apportionment that may be received.

5. OSCA e-mails the court copies of the notice of intercept and mails the notice of intercept to the defendant and spouse.

6. The spouse may request his/her portion of the refund and/or the defendant may request the court review the case to see if the debt is still due.

7. OSCA sends intercept to the court via electronic funds transfer (EFT).

### *Missouri Courts Tax Offset Program Participation Criteria*

- The court must use JIS.

- The court must complete the “sign-up” paperwork.

- The individual’s social security number is on JIS.

- All debts to be collected must be entered on a payment plan in JIS.

- Only “eligible” costs (court costs, fines, fees, or other sums ordered to be paid to the state or political subdivision) may be submitted for offset.

- The amount of delinquent debt must total more than \$25.00.

Note: There is no limit on how old the debt is.

- The due date on the payment plan must be at least 60 days past due.

For additional information regarding automating the court on JIS? Call OSCA Helpdesk at 888-541-4894; e-mail: [doug.buschjost@courts.mo.gov](mailto:doug.buschjost@courts.mo.gov). Write to: Doug Buschjost, OSCA, PO Box 104480, Jefferson City, MO 65110.

### **For Additional Information Regarding The Tax Offset And Debt Collection Programs**

Missouri Courts Debt Collection Program – call: OSCA Helpdesk at 888-541-4894; e-mail: [Debt.Collection.Workflow@courts.mo.gov](mailto:Debt.Collection.Workflow@courts.mo.gov). Write to: Missouri Court Debt Collection Program, OSCA, PO Box 104480, Jefferson City, MO 65110.

Missouri Courts Tax Offset Program – call: OSCA Helpdesk at 888-541-4894; e-mail: [tax.offset.workflow@courts.mo.gov](mailto:tax.offset.workflow@courts.mo.gov). Write Missouri Court Tax Offset Program, OSCA, PO Box 104480, Jefferson City, MO 65110. □

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This article was submitted by the Office of the State Courts Administrator.