

Restitution Interest Rate / Changes in Collection Practices

- Eric Philp, Probation Services, Judicial Dept.
- Marty Galvin, Deputy Director, Financial Services, Judicial Dept.

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Background

- House Bill 2000-1169
- Office of the State Auditor Recommendations
- Chief Judges
- Clerks of Court
- Victim Advocates
- State Public Defender
- Alternate Defense Counsel
- Private Probation
- District Attorneys' Council
- Department of Corrections
- Community Corrections

Statutory Reference

18-1.3-603(4)(b)(I), C.R.S. Assessment of restitution - corrective orders

(b) Any order for restitution made pursuant to this section
shall also be deemed to order that:

- (I) The defendant owes interest from the date of the entry
of the order at the rate of twelve percent per annum**
 - (effective 9/1/2000)

Notification Letters

Letters were mailed to all defendants with an outstanding restitution balance at the beginning of July informing them that interest will begin accruing on their case effective September 12, 2015.

Information was added to all restitution checks beginning October 1, 2015 notifying victims of the statute and the assessment of interest on their restitution.

Interest Calculation

- Interest will be calculated as simple interest.
- Interest amounts will be added to the case as a financial receivable each month.
- Interest will be paid to each victim based on the percentage of restitution owed.
- Payments by defendants will be applied to restitution principal first.
- Interest is not waivable by the judge.

Interest Assessment

Interest will be assessed on the second Saturday of each month beginning September 12th, 2015 at 1% of the principal restitution balance.

September 2015 assessments:
78,171 cases - \$9.3 million

Note: Joint and several restitution obligations are not part of the auto-assess programming.

Ongoing vs Historical

All cases with a restitution order after 9/1/2000 are subject to interest.

Ongoing:

- Cases with an outstanding restitution balance as of 9/12/2015 will accrue interest at 1% per month.

Historical:

- Victims may request interest be applied to any case after 9/1/2000 for the period of time restitution was unpaid.

Collections Investigators

- Judicial has over 120 individuals around the state working with defendants on payment plans.
- We revised the collection process and payment plan in response to restitution interest.
- Collections Investigators work with defendants on job searches, financial planning, and meeting financial obligations over time.

Interest Payments

- Letters generated payments:
 - July – September 2014 payments: \$6.2 million
 - July – September 2015 payments: \$8.9 million
- All restitution interest is paid to the victim(s).
- Unclaimed interest goes to VALE or Victim Compensation fund as agreed upon in each district.