

AUTHORIZATION TO CONTRACT WITH THE WISCONSIN DEPARTMENT OF REVENUE FOR THE COLLECTION OF DEBT

Ch. 59.40(4) Wis. Stats. allows the Clerk of Circuit Court, if authorized by the County Board under 59.52(28) Wis. Stats. to contract with the Wisconsin Department of Revenue (DOR) for the collection of court-ordered obligations via the State Debt Collection Program (SDC).

The Dane County Clerk of Circuit Court collects court-ordered financial obligations and has employed legal methods to collect unpaid amounts. These have included income assignments, payment plans, civil judgments, state tax refund intercept, the suspension of driver licenses, and referral to a private collection agency. Private collection agencies retain a commission from amounts collected; thus, the full amount of the obligation ordered by the Court may not be collected by this method. Additionally, court-ordered restitution amounts may not be referred because of the commission that would be deducted from collected amounts.

SDC is currently in use in 61 (out of 72) Wisconsin Circuit Courts and 184 Municipal Courts, with these agencies consistently reporting increased rates of collection since joining the program. Rather than charging a Court a commission rate on collections, SDC charges the debtor a collection fee of 15% of the referred debt, with a \$35 minimum. The absence of a commission means that a Court can refer restitution debt to SDC, thus satisfying the needs of victims of crime more quickly and efficiently than had been realized in the past, and allows for the full collection of court-ordered and legally mandated financial obligations.

The Clerk of Circuit Court understands that the imposition of the SDC collection fee will adversely impact some individuals who have not addressed their court-ordered obligations. However, this fee is less than the \$60 unwaivable fee imposed by the Wisconsin Department of Transportation for reinstatement of a suspended driver license, a fee for which no payment plan or alternative is available. Accordingly, the use of SDC will positively impact debtors who would otherwise be subject to license suspension and perhaps, additional citations for driving after suspension, as well as the resultant challenges to employment and child care that come with a suspended license. The Clerk of Circuit Court does not plan to suspend drivers licenses while accounts are held at SDC.

NOW, THEREFORE BE IT RESOLVED by the Dane County Board of Supervisors that the Board hereby authorizes the Clerk of Circuit Court to contract with the Wisconsin Department of Revenue for the collection of unpaid court ordered obligations, pursuant to Wisconsin Statutes, using the State Debt Collection Program.