



Elaine M. Howle *State Auditor*

CONTACT: Margarita Fernández | (916) 445-0255 x 343 | MargaritaF@auditor.ca.gov

Penalty Assessment Funds

California's Traffic Penalties and Fees Provide Inconsistent Funding for State and County Programs and Have a Significant Financial Impact on Drivers

Background

Many financial penalties and fees are levied on all criminal and public offenses—such as traffic violations—to generate revenue for state and county programs. Penalties and fees that result from traffic violations are added to the base fine of traffic tickets. Several state and county entities have a role in collecting, distributing, and spending penalty and fee revenue. Over time, these penalties and fees have significantly increased the cost of traffic violations. We reviewed the funds that state and local governments receive from penalties and fees assessed as specified in statute.

Key Recommendation

To ensure consistent funding streams for state and county programs, the Legislature should consider whether, and to what extent, programs should continue to be funded from revenue generated by penalties and fees by considering the following:

- Revenue trends and reliability of the funds.
- Financial impact on individuals and ability to pay.
- Alignment of the use of the funds with the offense committed.
- Amount of the penalty or fee.

Key Findings

- Although state and county entities generally distributed the penalty and fee revenue to the appropriate funds and spent the money for allowable purposes, the overall approach lacks a systemic strategy.
 - » Penalties and fees intended to help pay for state and county programs were added to state law in a piecemeal fashion over time with little documented analysis of the expected revenue.
 - » Traffic penalty and fee amounts established do not appear to be based on the needs of the funded programs.
- Because the revenue collected depends on what violations individuals commit and whether individuals pay the penalty or fee, the revenue collected from penalties and fees is unreliable and has become problematic for the programs that depend on the revenue.
 - » The revenue collected for state funds has declined by 14 to 25 percent over the past three years as the number of criminal cases filed has decreased and many penalties are not being paid.
 - » While some of the state and county fund balances have fluctuated or declined over the years, some county programs do not spend all the revenue they receive, which can lead to large balances.
- Penalties and fees associated with traffic citations have increased substantially, increasing the financial burden on drivers—some offenses can cost an individual up to six times the amount of the base fine and could cost even more if an individual is cited for multiple offenses.
- Many of the penalties are paying for programs that are not directly related to the traffic offenses for which they were incurred.

Example of How Penalties and Fees of Traffic Violations Impact Drivers

