

HF1082 - 2E - Victims Account Established; Corp. Penalty Req.

Chief Author: **Kelly Moller**
 Committee: **Public Safety Finance And Policy**
 Date Completed: **4/11/2025 8:47:11 AM**
 Lead Agency: **Public Safety Dept**
 Other Agencies:
 Health Dept Sentencing Guidelines Comm
 Supreme Court

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Public Safety Dept		-	-	-	-	-
Restrict Misc Special Revenue		-	-	-	-	-
State Total		-	-	-	-	-
Restrict Misc Special Revenue		-	-	-	-	-
	Total	-	-	-	-	-
	Biennial Total			-		-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Public Safety Dept	-	-	-	-	-
Restrict Misc Special Revenue	-	-	-	-	-
	Total	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 4/11/2025 8:47:11 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
Public Safety Dept		-	-	-	-	-
Restrict Misc Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Public Safety Dept		-	-	-	-	-
Restrict Misc Special Revenue		-	1,600	1,600	1,600	1,600
Total		-	1,600	1,600	1,600	1,600
Biennial Total				3,200		3,200
2 - Revenues, Transfers In*						
Public Safety Dept		-	-	-	-	-
Restrict Misc Special Revenue		-	1,600	1,600	1,600	1,600
Total		-	1,600	1,600	1,600	1,600
Biennial Total				3,200		3,200

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Chief Author: **Kelly Moller**
 Committee: **Public Safety Finance And Policy**
 Date Completed: **4/11/2025 8:47:11 AM**
 Agency: **Public Safety Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Restrict Misc Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Laura Cecko **Date:** 4/10/2025 2:16:26 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Restrict Misc Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc Special Revenue	-	1,600	1,600	1,600	1,600	1,600
Total	-	1,600	1,600	1,600	1,600	1,600
Biennial Total			3,200			3,200
2 - Revenues, Transfers In*						
Restrict Misc Special Revenue	-	1,600	1,600	1,600	1,600	1,600
Total	-	1,600	1,600	1,600	1,600	1,600
Biennial Total			3,200			3,200

Bill Description

The bill establishes the Minnesota Victims of Crime Account as a special revenue account and directs certain fees and fines to the account. Funding in the Minnesota Victims of Crime Account can be utilized for grants to crime victim services providers for direct services and advocacy for victims of sexual assault, general crime, domestic violence, and child abuse. Funding must support providers direct needs and include services for crime victims in underserved communities. The bill allows up to 10 percent of funding to be used for grant administration.

Assumptions

Marriage License Fees

The Department of Public Safety’s Office of Justice Programs (OJP) division assumes the estimate of 30,000 marriage license applications (based on 2023 data) will continue each year. The additional \$10 will be deposited into the Minnesota Victims of Crime Account in the special revenue fund.

Court Assessments

Based on analysis by the Minnesota Supreme Court, estimated revenue is for penalty assessments is \$1,300,000 per year.

Annual Report

OJP estimates it will take minimal staff time to pull data and develop an annual report to the legislature and that it can be accomplished within the workload of existing staff.

Expenditure and/or Revenue Formula

Revenue:

30,000 marriage licenses additional fees per year * \$10 = \$300,000

\$1,300,000 penalty assessments per year

Total = \$300,000 + \$1,300,000 = \$1,600,000

Expenditures:

\$1,600,000 for grants and administration

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Brian Awsumb

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HF1082 - 2E - Victims Account Established; Corp. Penalty Req.

Chief Author: **Kelly Moller**
 Committee: **Public Safety Finance And Policy**
 Date Completed: **4/11/2025 8:47:11 AM**
 Agency: **Health Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Shannon Zila **Date:** 4/4/2025 11:37:25 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This is a bill relating to public safety; establishing the Minnesota victims of crime account; providing grants to crime victim service providers; increasing certain fees and penalties for deposit in account; transferring certain fees and penalties for deposit in account; amending Minnesota Statutes 2024, sections 517.08, subdivision 1b, 1c; proposing coding for new law in Minnesota Statutes, chapters 299A; 609.

Assumptions

This bill directs the establishment of a victims of crime account in the existing 299A.708 administered by the Department of Public Safety. The Minnesota Department of Health would not administer this fund and therefore, there would be no fiscal impact to the department.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Local Fiscal Impact

References/Sources

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HF1082 - 2E - Victims Account Established; Corp. Penalty Req.

Chief Author: **Kelly Moller**
 Committee: **Public Safety Finance And Policy**
 Date Completed: **4/11/2025 8:47:11 AM**
 Agency: **Sentencing Guidelines Comm**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/8/2025 8:25:04 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

The bill relates to crime-victims and grants appropriations for certain organizations providing direct services and advocacy for victims. Section 1 establishes a special revenue account to benefit victims of crime.

Section 4 requires monetary penalty assessments for corporate offenders under newly codified Minn. Stat. § 609.1015. The assessment is in addition to any criminal fines, restitution, or surcharge, otherwise authorized or required under law. When a court is sentencing a corporation that has been convicted of a crime, the Court must impose an assessment of up to \$1,000,000 if the conviction is for a felony offense, up to \$250,000 if the conviction is for a gross misdemeanor offense, and up to \$100,000 if the conviction is for a misdemeanor offense. In the absence of a showing of undue hardship, the minimum assessment is 30 percent of the maximum assessment amount shown above.

Section 5 requires a victim services assessment for the following convictions: (1) any crime of violence as defined in section 624.712, subdivision 5, other than a violation of chapter 152; (2) section 518B.01, subdivision 14 (violation of domestic abuse order for protection); (3) section 609.2242 (domestic assault); (4) section 609.324, subdivision 1, 1a, or 2 (patronizing or hiring an individual engaged in prostitution); (5) section 609.3458 (sexual extortion); (6) section 609.748, subdivision 6 (violation of harassment restraining order); (7) section 617.261 (nonconsensual dissemination of private sexual images); or (8) section 629.75 (violation of domestic abuse no contact order).

The court must waive payment if the defendant is indigent or upon a showing of undue hardship upon the convicted person or the convicted person's immediate family. Assessments collected must be deposited into the Minnesota victims of crime account under section 299A.708.

The bill has no effective date.

Assumptions

It is assumed that the bill becomes effective August 1, 2025, and assessments apply to crimes committed on or after that date.

Section 4: Although the Minn. Sentencing Guidelines apply to corporations, it is assumed that these assessments are additional to any criminal fines, restitution, or surcharge, otherwise authorized or required under law. According to MSGC Monitoring data, 14 corporations have been sentenced for felonies in Minnesota since 2001: 4 cases of theft; 3 cases of theft over \$35,000; 6 cases of tax offenses; and 1 case of unemployment fraud. Pronounced fines ranged from \$3,333 to \$19,333. The average pronounced fine was \$7,822.

Section 5: The Minn. Sentencing Guidelines do not address fines except to say that “[I]f fines are imposed, the Commission urges the expanded use of day fines, which standardizes the financial impact of the sanction among offenders with different income levels.” It is assumed that the assessments are in addition to those that already exist in Minn. Stat. § 609.101, which requires fines of up to 30 percent of the maximum fine authorized by law for person offenses (subd. 2), controlled substance offenses (subd. 3); and other crimes (subd. 4). Under subdivision 5, Minn. Stat. § 609.101,

provides waiver if the defendant qualifies for the services of a public defender or the court finds on the record that the convicted person is indigent or that immediate payment of the fine would create undue hardship for the convicted person or that person's immediate family, the court may reduce the amount of the minimum fine to not less than \$50. Additionally, the court may permit the defendant to perform community work service instead of a fine.

One possible method to estimate the frequency at which courts will impose the bill-required assessments would be to assume the new frequency will be like the frequency at which courts now impose the 30 percent fine required by § 609.101. MSGC does not have this data.

Expenditure and/or Revenue Formula

Long-Term Fiscal Considerations

Based on the assumptions above, there will be no long-term correctional fiscal impact.

Local Fiscal Impact

Unknown.

References/Sources

2001 to 2023 MSGC sentencing data.

2024 Minn. Sentencing Guidelines and Commentary, section 3.A.2(5).

Agency Contact:

Agency Fiscal Note Coordinator Signature: Jill Payne

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HF1082 - 2E - Victims Account Established; Corp. Penalty Req.

Chief Author: **Kelly Moller**
 Committee: **Public Safety Finance And Policy**
 Date Completed: **4/11/2025 8:47:11 AM**
 Agency: **Supreme Court**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 4/11/2025 8:44:50 AM
Phone: 651-296-6054 **Email:** susan.nelson@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029	
Total	-	-	-	-	-	-
Biennial Total			-			-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Total	-	-	-	-	-	-
Biennial Total			-			-

Bill Description

HF1082-2E (“the bill”) creates a new statute, section 299A.708, to create a special revenue account related to victims of crimes. The bill appropriates money to the commissioner of public safety for the Office of Justice Programs to provide grants to crime victim service providers. The bill details how grant funds must be used and establishes reporting requirements.

The bill modifies Minn. Stat. § 517.08 to increase marriage license fees and direct the additional funds from the increased fees towards the victim of crime account established in section 299A.708.

The bill creates another new statute, section 609.1015, to establish additional financial penalties for corporations convicted of crimes. The bill establishes the following maximum penalty assessment amounts for corporations: \$1,000,000 for felony convictions; \$250,000 for gross misdemeanor convictions; and \$100,000 for misdemeanor convictions. The penalty assessment is in addition to any other fine, surcharge, or restitution imposed by the court. The bill requires the court to impose at least 30% of the maximum penalty assessment, unless the defendant corporation makes a showing of undue hardship. The bill lists factors the court must consider when setting the penalty assessment amount. Under the provisions of this bill, all penalty assessment revenue collected under section 609.1015 is directed to the victim of crime account established in section 299A.708.

The bill also adds a new statute, section 609.1016, which requires that when sentencing a person for certain listed offenses the court must impose a victim services assessment of at least \$500 and not more than \$750 for a misdemeanor, and at least \$750 and not more than \$1,000 for any other violation. Offenses included are crimes of violence other than a chapter 152 offense, violation of an order for protection, domestic assault, patronizing or hiring an individual engaged in prostitution, sexual extortion, violation of a harassment restraining order, nonconsensual dissemination of private sexual images, and violation of a domestic abuse no contact order. The court must waive payment on a showing of indigency and may waive or reduce payment on a showing of undue hardship on the defendant or their immediate family. Assessments collected must be deposited in the victim of crime account under section 299A.708.

Assumptions

It is assumed that the judicial branch will absorb any technological or programmatic updates to add a new corporate penalty assessment and the new victim services assessment to the court’s case management system.

It is assumed that the bill will not change criminal case filing numbers because it does not create, eliminate, or redefine any criminal offense. It is assumed that the number of cases in which the corporate penalty assessment will be imposed will be relatively low, based on available judicial branch data.

It is assumed that the victim services assessment will be waived in all cases in which a public defender has been appointed. Because judicial branch data shows that the vast majority of defendants convicted for crimes subject to the

victim services assessment under the provisions of this bill qualify for services of the public defender, it is assumed that the assessment will be waived in most cases. It is assumed that the assessment will be reduced in other cases due to undue hardship findings, especially if a high restitution amount is ordered. Pursuant to Minn. Stat. § 611A.04, subdivision 4, restitution payments take priority over fines, fees, and other assessments. It is also assumed that the victim services assessment will only be assessed once per case, if assessed at all, including for cases with multiple convictions that would otherwise be subject to the assessment.

Based on the judicial branch data detailed below, it is assumed that revenue collected will increase due to the provisions of this bill.

Expenditure and/or Revenue Formula

Regarding the corporate penalty, the court does not have a reliable way to retrieve data on defendants that are corporations, rather than natural persons. Using the best approximation available, judicial branch data from 2001-2024 showed a total of: 32 convictions for felony offenses; 14 convictions for gross misdemeanor offenses; and 273 convictions for misdemeanor offenses over that timeframe. (319 convictions statewide over 24 years, or approximately 13 cases annually.) These numbers are likely higher than the actual number of convictions for defendant corporations over that 24-year period.

Due to the limited reliability of the judicial branch data, for purposes of this fiscal note the judicial branch is assuming that the information provided by the Minnesota Sentencing Guidelines Commission, which indicates there were 14 felony convictions for corporate defendants during this time frame, is accurate. That is an annual average of less than one case per year. If 1 felony case every two years has a corporate penalty assessment, that could result in annual revenue of \$150,000 (1/2 of \$300,000, which is 30% of the maximum penalty) to \$500,000 (1/2 of the \$1,000,000 maximum penalty). Given the possibility of undue hardship findings, and the variability in the penalty assessments that could be imposed and collected, the fiscal impact of the corporate penalty assessment provisions of this bill on victim of crime account is unknown. For purposes of this fiscal note, it is anticipated that the amount actually collected will be less than the midpoint of the range above (which is \$325,000) and could be approximately \$300,000 annually starting in fiscal year 2026.

Regarding the victim services assessment, judicial branch data from the past five years (2020-2024) shows the following number of cases with convictions that would be subject to the victim service assessment pursuant to the bill:

- 22,904 total felony cases, or approximately 4,581 statewide annually
- 5,298 total gross misdemeanor cases, or approximately 1,060 statewide annually
- 17,721 total misdemeanor cases, or approximately 3,544 statewide annually

Note: Offenses under Minn. Stat. § 609.52 were not included in the data above. Offenses under Minn. Stat. § 609.52 are considered “crimes of violence” only in very limited circumstances when specific items are stolen that are listed in the definition of crimes of violence. It was not possible to separate out convictions under Minn. Stat. § 609.52 that would be subject to the victim services assessment using any metric available within court data. However, it is assumed that only a small fraction of convictions under Minn. Stat. § 609.52 are considered “crimes of violence.”

Of those cases with qualifying convictions, judicial branch data shows that public defenders were appointed at the following rates:

- 88% of qualifying felony cases
- 87% of qualifying gross misdemeanor cases
- 78% of qualifying misdemeanor cases

Thus, pursuant to the provisions of this bill regarding waiver of the assessment, the assessment would be waived in 88% of felony cases; 87% of gross misdemeanor cases, and 78% of misdemeanor cases.

Based on the high rate of indigency for eligible convictions, data shows that only the following number of cases could actually be subject to the victim services assessment:

- 550 felony cases annually (12% of annual statewide average)
- 138 gross misdemeanor cases annually (13% of annual statewide average)
-

780 misdemeanor cases annually (22% of annual statewide average)

Given that the victim service assessment ranges between \$750-\$1,000 for felony and gross misdemeanor cases in which it is imposed and \$500-\$750 in misdemeanor cases in which it is imposed, the following amounts could be generated:

- \$412,272.00 - \$549,696.00 for cases with felony convictions
- \$103,311.00 - \$137,748.00 for cases with gross misdemeanor convictions
- \$389,862.00 - \$584,793.00 for cases with misdemeanor convictions

This would total between \$905,445.00 and \$1,272,237.00 annually.

However, an assessment may be reduced or waived upon a showing of undue hardship to the convicted person or their immediate family. Additionally, judicial branch data show that restitution is ordered at the following rates in cases with convictions that would otherwise be eligible for the victim services assessment:

- 13% of felony cases
- 2% of gross misdemeanor cases
- 2% of misdemeanor cases

Given that restitution must be paid before other assessments, can be quite high in cases involving loss of life or serious injury (which are many of the "crimes of violence" subject to the victim services assessment), and that there is a time limit on how long the court can collect court-ordered debt, it is likely that in some cases that might otherwise qualify, the assessment will not be paid.

For these reasons, for purposes of this fiscal note, it is anticipated that the amount actually collected will be less than the midpoint of the range above (which is \$1,088,841) and will be approximately \$1,000,000 annually starting in fiscal year 2026.

As stated above, it is also anticipated that the amount of corporate assessment collected could be approximately \$300,000 annually starting in fiscal year 2026, for a total of \$1,300,000 each fiscal year, which may be an overestimate or an underestimate.

These estimates were used to calculate the most accurate revenue figures, which the Department of Public Safety will reflect in their fiscal note.

The bill is not anticipated to have a significant fiscal impact on the judicial branch.

Long-Term Fiscal Considerations

Revenue generation would be ongoing as long as the provisions of the bill remained intact.

Local Fiscal Impact

References/Sources

Agency Contact:

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