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HOUSE BILL NO. 17

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee for Courts of Justice
on February 25, 2026)

(Patron Prior to Substitute—Delegate Price)

A *BILL to amend and reenact §§ 19.2-349 and 19.2-354 of the Code of Virginia, relating to fines, costs, forfeitures, penalties, and restitution; collection fees; assessment against incarcerated defendant; deferred payment agreement.*

Be it enacted by the General Assembly of Virginia:

1. That §§ 19.2-349 and 19.2-354 of the Code of Virginia are amended and reenacted as follows:

§ 19.2-349. Responsibility for collections; clerks to report unsatisfied fines, etc.; duty of attorneys for Commonwealth; duties of Department of Taxation.

A. The clerk of the circuit court and district court of every county and city shall submit to the judge of his court, the Department of Taxation, the State Compensation Board and the attorney for the Commonwealth of his county or city a monthly report of all fines, costs, forfeitures and penalties which are delinquent more than ~~90~~ 180 days, including court-ordered restitution of a sum certain, imposed in his court for a violation of state law or a local ordinance which remain unsatisfied, including those which are delinquent in installment payments. The monthly report shall include the social security number or driver's license number of the defendant, if known, and such other information as the Department of Taxation and the Compensation Board deem appropriate. The Executive Secretary shall make the report required by this subsection on behalf of those clerks who participate in the Supreme Court's automated information system.

B. The clerk of the circuit court and district court of every county and city shall submit quarterly to the attorney for the Commonwealth of his county or city and any probation agency that serves such county or city:

1. A list of all defendants with an outstanding balance of restitution ordered by the court served by such clerk. Such report shall include the defendant's name, case number, total amount of restitution ordered, amount of restitution remaining due, and last date of payment; and

2. A list of all accounts where more than ~~90~~ 180 days have passed since an account was sent to collections and no payments have been made toward fines, costs, forfeitures, penalties, or restitution. For accounts where restitution is owed, such report shall include the defendant's name, case number, and total amount of restitution and restitution interest due.

C. It shall be the duty of the attorney for the Commonwealth to cause proper proceedings to be instituted for the collection and satisfaction of all fines, costs, forfeitures, penalties and restitution. The attorney for the Commonwealth shall determine whether it would be impractical or uneconomical for such service to be rendered by the office of the attorney for the Commonwealth. If the defendant does not enter into an installment payment agreement under § 19.2-354, the attorney for the Commonwealth and the clerk may agree to a process by which collection activity may be commenced ~~90~~ 180 days after judgment. *Notwithstanding any other provision of law, no collection activity, including referral to a private collection agency, local treasurer, or the Department of Taxation, shall be commenced for any fines, costs, forfeitures, or penalties while a defendant is incarcerated for an active term of imprisonment and subject to a deferred payment agreement entered pursuant to subsection F of § 19.2-354.*

If the attorney for the Commonwealth does not undertake collection, he shall (i) contract with private attorneys or private collection agencies, (ii) enter into an agreement with a local governing body, (iii) enter into an agreement with the county or city treasurer, or (iv) use the services of the Department of Taxation, upon such terms and conditions as may be established by guidelines promulgated by the Office of the Attorney General, the Executive Secretary of the Supreme Court with the Department of Taxation and the Compensation Board. At least 30 days prior to the execution of a contract pursuant to clause (i), the attorney for the Commonwealth shall consult with the clerk of the circuit court. Such consultation is not required when the attorney for the Commonwealth enters into an agreement pursuant to clause (ii), (iii), or (iv). If the attorney for the Commonwealth undertakes collection, he shall follow the procedures established by the Department of Taxation and the Compensation Board. Such guidelines shall not supersede contracts between attorneys for the Commonwealth and private attorneys and collection agencies when active collection efforts are being undertaken. As part of such contract, private attorneys or collection agencies shall be given access to the social security number of the defendant in order to assist in the collection effort. Any such private attorney shall be subject to the penalties and provisions of § 18.2-186.3.

The fees of any private attorneys or collection agencies shall be paid on a contingency fee basis out of the proceeds of the amounts collected. However, in no event shall such attorney or collection agency receive a fee for amounts collected by the Department of Taxation under the Setoff Debt Collection Act (§ 58.1-520 et seq.). A local treasurer undertaking collection pursuant to an agreement with the attorney for the

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60 Commonwealth may collect the administrative fee authorized by § 58.1-3958.

61 D. The Department of Taxation and the State Compensation Board shall be responsible for the collection
62 of any judgment which remains unsatisfied or does not meet the conditions of § 19.2-354. Persons owing
63 such unsatisfied judgments or failing to comply with installment payment agreements under § 19.2-354 shall
64 be subject to the delinquent tax collection provisions of Title 58.1. The Department of Taxation and the State
65 Compensation Board shall establish procedures to be followed by clerks of courts, attorneys for the
66 Commonwealth, other state agencies and any private attorneys or collection agents and may employ private
67 attorneys or collection agencies, or engage other state agencies to collect the judgment. The Department of
68 Taxation and the Commonwealth shall be entitled to deduct a fee for services from amounts collected for
69 violations of local ordinances.

70 The Department of Taxation and the State Compensation Board shall annually report to the Governor and
71 the General Assembly the total of fines, costs, forfeitures and penalties assessed, collected, and unpaid and
72 those which remain unsatisfied or do not meet the conditions of § 19.2-354 by each circuit and district court.
73 The report shall include the procedures established by the Department of Taxation and the State
74 Compensation Board pursuant to this section and a plan for increasing the collection of unpaid fines, costs,
75 forfeitures and penalties. The Auditor of Public Accounts shall annually report to the Governor, the Executive
76 Secretary of the Supreme Court and the General Assembly as to the adherence of clerks of courts, attorneys
77 for the Commonwealth and other state agencies to the procedures established by the Department of Taxation
78 and the State Compensation Board.

79 The Office of the Executive Secretary of the Supreme Court shall annually report to the Governor, the
80 General Assembly, the Chairmen of the House and Senate Committees for Courts of Justice, and the Virginia
81 State Crime Commission on the total of restitution assessed, collected, and unpaid for each circuit and district
82 court and the total of restitution collected and deposited into the Criminal Injuries Compensation Fund
83 pursuant to subsection I of § 19.2-305.1 by each circuit and district court.

84 E. The provisions of this section shall not apply to any orders of restitution docketed in the name of the
85 victim or when it is ordered that an assignment of the judgment for restitution to the victim be docketed.

86 **§ 19.2-354. Authority of court to order payment of fine, costs, forfeitures, penalties, or restitution in**
87 **installments or upon other terms and conditions; community work in lieu of payment.**

88 A. Any defendant convicted of a traffic infraction or a violation of any criminal law of the
89 Commonwealth or of any political subdivision thereof, or found not innocent in the case of a juvenile, who is
90 sentenced to pay a fine, restitution, forfeiture, or penalty may pay such fine, restitution, forfeiture, or penalty
91 and any costs that the defendant may be required to pay in deferred payments or installments. The court
92 assessing the fine, restitution, forfeiture, or penalty and costs shall authorize the clerk to establish and
93 approve individual deferred or installment payment agreements. If the defendant owes court-ordered
94 restitution and enters into a deferred or installment payment agreement, any moneys collected pursuant to
95 such agreement shall be used first to satisfy such restitution order and any collection costs associated with
96 restitution prior to being used to satisfy any other fine, forfeiture, penalty, or cost owed, unless an order for
97 restitution is docketed in the name of the victim or it is ordered that an assignment of the judgment to the
98 victim be docketed. Any payment agreement authorized under this section shall be consistent with the
99 provisions of § 19.2-354.1. The requirements set forth in § 19.2-354.1 shall be posted in the clerk's office and
100 on the court's website, if a website is available. As a condition of every such agreement, a defendant who
101 enters into an installment or deferred payment agreement shall promptly inform the court of any change of
102 mailing address during the term of the agreement. If the defendant is unable to make payment within 90 days
103 of sentencing, the court may assess a one-time fee not to exceed \$10 to cover the costs of management of the
104 defendant's account until such account is paid in full. This one-time fee shall not apply to cases in which costs
105 are assessed pursuant to § 17.1-275.1, 17.1-275.2, 17.1-275.3, 17.1-275.4, 17.1-275.7, 17.1-275.8, or
106 17.1-275.9. Installment or deferred payment agreements shall include terms for payment if the defendant
107 participates in a program as provided in subsection B or C. The court, if such sum or sums are not paid in full
108 by the date ordered, shall proceed in accordance with § 19.2-358.

109 B. When a person sentenced to the Department of Corrections or a local correctional facility owes any
110 fines, costs, forfeitures, restitution, or penalties, he shall be required as a condition of participating in any
111 work release, home/electronic incarceration, or nonconsecutive days program as set forth in § 53.1-60,
112 53.1-131, 53.1-131.1, or 53.1-131.2 to either make full payment or make payments in accordance with his
113 installment or deferred payment agreement while participating in such program. If, after the person has an
114 installment or deferred payment agreement, the person fails to pay as ordered, his participation in the
115 program may be terminated until all fines, costs, forfeitures, restitution, and penalties are satisfied. The
116 Director of the Department of Corrections and any sheriff or other administrative head of any local
117 correctional facility shall withhold such ordered payments from any amounts due to such person. Distribution
118 of the moneys collected shall be made in the following order of priority to:

119 1. Meet the obligation of any judicial or administrative order to provide support and such funds shall be
120 disbursed according to the terms of such order;

121 2. Pay any restitution as ordered by the court;

- 122 3. Pay any fines or costs as ordered by the court;
- 123 4. Pay travel and other such expenses made necessary by his work release employment or participation in
- 124 an education or rehabilitative program, including the sums specified in § 53.1-150; and
- 125 5. Defray the offender's keep.

126 The balance shall be credited to the offender's account or sent to his family in an amount the offender so
 127 chooses.

128 The State Board of Local and Regional Jails shall promulgate regulations governing the receipt of wages
 129 paid to persons sentenced to local correctional facilities participating in such programs, the withholding of
 130 payments, and the disbursement of appropriate funds. The Director of the Department of Corrections shall
 131 prescribe rules governing the receipt of wages paid to persons sentenced to state correctional facilities
 132 participating in such programs, the withholding of payments, and the disbursement of appropriate funds.

133 C. The court shall establish a program and may provide an option to any person upon whom a fine and
 134 costs have been imposed to discharge all or part of the fine or costs by earning credits for the performance of
 135 community service work (i) before or after imprisonment or (ii) in accordance with the provisions of
 136 § 19.2-316.4, 53.1-59, 53.1-60, 53.1-128, 53.1-129, or 53.1-131 during imprisonment. The program shall
 137 specify the rate at which credits are earned and provide for the manner of applying earned credits against the
 138 fine or costs. The court assessing the fine or costs against a person shall inform such person of the availability
 139 of earning credit toward discharge of the fine or costs through the performance of community service work
 140 under this program and provide such person with written notice of terms and conditions of this program. The
 141 court shall have such other authority as is reasonably necessary for or incidental to carrying out this program.

142 D. When the court has authorized deferred payment or installment payments, the clerk shall give notice to
 143 the defendant that upon his failure to pay as ordered he may be fined or imprisoned pursuant to § 19.2-358.

144 E. The failure of the defendant to enter into a deferred payment or installment payment agreement with
 145 the court or the failure of the defendant to make payments as ordered by the agreement shall allow the Tax
 146 Commissioner to act in accordance with § 19.2-349 to collect all fines, costs, forfeitures, and penalties.

147 *F. For any defendant sentenced to an active term of incarceration and ordered to pay any fine, cost,*
 148 *forfeiture, or penalty related to the charge that such defendant is incarcerated for, or any other charge for*
 149 *which such defendant was sentenced on the same day, the court shall enter such defendant into a deferred*
 150 *payment agreement, as defined in § 19.2-354.1, for such fines, costs, forfeitures, or penalties. The due date*
 151 *for such deferred payment agreement shall be set no earlier than 180 days after the defendant's scheduled*
 152 *release from incarceration on the charges for which such defendant was sentenced on the same day.*

153 *No fines, costs, forfeitures, or penalties subject to a deferred payment agreement under this subsection*
 154 *shall be deemed delinquent nor shall any collection activity, including referral to a private collection agency,*
 155 *local treasurer, or the Department of Taxation, for such fines, costs, forfeitures, or penalties be commenced*
 156 *while a defendant is incarcerated for an active term of imprisonment. Additionally, no such fines, costs,*
 157 *forfeitures, or penalties subject to a deferred payment agreement under this subsection shall be deemed*
 158 *delinquent during the six months immediately following a defendant's release from an active term of*
 159 *incarceration.*

160 **2. That the provisions of this act shall become effective on January 1, 2027.**