

Local Government Reliance on Fines and Fees to Raise Revenues Hurts Residents and Communities

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Across New York State, fines and associated fees are relied upon by local governments as a source of local revenue. Decreased aid from the state coupled with the 2-percent property tax cap, which was enacted in 2011 and restricts annual property tax increases to the lesser of 2-percent or the rate of inflation, has led to decreased revenues for local jurisdictions. To make up for budget shortfalls - which have worsened during COVID-19 - local governments may be tempted to raise additional revenue through fines and fees.

Reliance on fines and fees as a source of revenue – and separated from any policy goals - creates and perpetuates economic harm, as research indicates that they tend to be [imposed on low-income communities and communities of color at higher rates](#). This imposition of debt coupled with a lack of alternatives to satisfying the debt (payment plans, community service alternatives, etc) can trap those with few resources in a cycle of debt.

What's Going on in New York's Towns?

In 2018, the state's 932 towns reported fine revenue totaling nearly \$85 million; in 2007, that amount was \$73 million, an increase of over 16 percent. Just under half of the state's 932 towns reported an increase in fine revenue between 2007 and 2018. Some towns have seen significantly higher than average increases in reported fine revenue.

Town Name	2007 Fines	2018 Fines	% Increase
Deerpark, Orange Co.	\$71,910	\$144,379	100
Fishkill, Dutchess Co.	\$80,185	\$348,555	334
North Harmony, Chautauqua Co.	\$81,028	\$168,766	108

FIG. 1 Source: Fiscal Policy Institute Analysis of New York State Comptroller's Financial Data for Local Governments

While some towns have reported an increase in fine revenue, other towns seem to have long relied on fines as a source of local revenue.

Town Name	2007 Fines	2018 Fines
Dryden, Tomkins Co.	\$79,479	\$87,009
East Greenbush, Rensselaer Co.	\$319,385	\$372,269
Babylon, Suffolk Co.	\$930,809	\$1,100,135

FIG. 2 Source: Fiscal Policy Institute Analysis of New York State Comptroller's Financial Data for Local Governments

Imposing fines and fees solely to raise local revenues increases economic instability for residents and communities already experiencing fiscal stress. Now is the time to address this issue and support all our state's residents.

Note: The Office of the New York State Comptroller (OSC) defines fines as the "Total amount of revenues derived from various fines and penalties."

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The Fiscal Policy Institute is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. FPI's Immigration Research Initiative looks at immigration issues in New York State, and around the country.