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Imposed Fee and Fine Use by Local Governments: GFOA Report

A local government's revenue system needs to treat people fairly to maintain the public's trust. GFOA's [Code of Ethics](#) requires that finance officers support equitable provision of services and call out unfair discrimination. But some local governments use and rely on revenue from imposed fees and fines that make socioeconomic and racial inequities worse.

Fines and imposed fees should not be used as revenue raising or cost-recovery tools. Using them this way can worsen problems that governments services are meant to solve. For example, unpaid fees can hurt a citizen's credit score, which makes it harder for that person to find housing, get a job, or apply for credit. In another example, studies have found that local governments can end up spending more on collecting court fees than they raise in revenues, given the cost of jail time for nonpayment.

GFOA has released a new research report that provides tools for local government finance officers to use in evaluating their own existing policies, along with guidance and policy templates for drafting new policies. Trust is a government's most valuable asset, and finance officers play a big role in safeguarding this by promoting transparency and accountability. Finance officers also need to ensure equity and fairness.

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