



# REPORTING: TAXATION BY CITATION BY CITIES

## BY THE INSTITUTE FOR JUSTICE

Most municipalities allow law or code enforcement officers to cite residents for various violations that may result in fines. Unfortunately, some municipalities use this enforcement power to generate revenue rather than solely to protect public safety and property. Frequently, this burden falls unequally on lower-income residents.

“Taxation by citation” can have disastrous consequences. Following the 2014 death of Michael Brown in Ferguson, Missouri, the U.S. Department of Justice found the city targeted minorities to raise revenue.<sup>1</sup> This led to general “distrust and resentment”<sup>2</sup> of government that ultimately led to the unrest that caused personal injuries<sup>3</sup> and \$5 million in property damage.<sup>4</sup>

The first step in curbing municipal taxation by citation is data. Well-informed state legislators are better equipped to develop the most efficient remedies.

### WHAT CAN STATE LEGISLATORS DO?

The Institute for Justice (IJ) is a national public interest, civil liberties law firm. We advocate for legislative reforms that help people of modest means to stop abusive fines by municipalities.

We offer the “Municipal Fines and Fees Reporting Act” (MFFRA) – a reporting bill that allows municipal and state lawmakers to better understand the use of fines and fees.

### HOW DOES MFFRA WORK?

MFFRA combines the best practices of several states to create a reporting system that gives state legislatures a full picture of municipal fines and fees activity. MFFRA requires each municipality to compile a yearly Municipal Financial Report, which includes the revenues (including fines and fees), expenditures, assets, and debts of the municipality's funds and agencies. This information, which is provided to legislators and made publicly available, allows the state to track municipal fines and fees activity.

MFFRA also gives legislators and the public access to neatly compiled state court information. Under MFFRA, each court in a state will submit caseload data, which will enable analysis of trends over time in the types of cases, courts, and final dispositions that generate revenue.

The 2021 Initiative, a project of IJ, is a free legislative service that partners lawmakers with our lawyers, researchers, and advocates to identify and develop responsive and tailored legislation that will work for your state as you recover from 2020. For questions about MFFRA or to get started, e-mail Christina Walsh, director of the 2021 Initiative, at [cwalsh@ij.org](mailto:cwalsh@ij.org).

### WHY IS MFFRA NECESSARY?

Abusing fines and fees for revenue:

- is widespread – a *Governing* report identified nearly 600 jurisdictions where fines and fees accounted for more than 10% of general-fund revenues;<sup>5</sup>
- distorts law enforcement priorities;
- exploits the least fortunate and risks stoking the flames of civil unrest.<sup>6</sup>

[View the Municipal Fines and Fees Reporting Act by clicking here.](#)

### ENDNOTES

<sup>1</sup>U. S. Dep't of Justice, Investigation Ferguson Police Department (2015) <https://tinyurl.com/USDJ-Ferguson>.

<sup>2</sup>*Id.* at 79.

<sup>3</sup>*Ferguson protests: 14 injured, 61 arrests, businesses torched*, The Mercury News (Nov. 25, 2014) <https://tinyurl.com/Mercury-New-11-25-2014>.

<sup>4</sup>Ben Unglesbee, *Buildings destroyed in Ferguson riots worth millions*, St. Louis Business Journal (Dec. 4, 2014) <https://tinyurl.com/Bizjournal-12-04-2014>.

<sup>5</sup>Mike Maciag, *Addicted to Fines: A Special Report*, *Governing* (Aug. 21 2019) <https://tinyurl.com/Governing-Fines>.

<sup>6</sup>See Dick M. Carpenter et al., *The Price of Taxation by Citation: Case Studies of Three Georgia Cities That Rely Heavily on Fines and Fees*, The Institute for Justice (October 2019) <https://tinyurl.com/IJ-Citation>.