

Court Collections

State Court Clerk Conference  
Spring 2025  
Knoxville

Presented by:

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Criminal Collections

Allocation 40-24-105(a)  
As of 7/1/2022 Restitution, if any, Litigation Taxes, Cost and then Fines

1) Payment Plans

- Payment plans shall be set and must be reasonable and based on ability to pay.
- CR: 40-24-105(b)
- TR: 55-50-502(j)

2) In-House Collection 40-24-105(d)(1)

- Ability to pay and willfully refuses
- 6 months default
- Retain up to 50% of fines, costs and lit taxes

3) Agent-3<sup>rd</sup> Party Collection 40-24-105(d)(2)

- Ability to pay and willfully refuses
- 6 months default
- Retain up to 40% added to the total cost owed

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Criminal Collections

4) Revert to Civil Judgment: 40-24-105(f)  
After released from prison, judge, clerk or DA may convert amount owed to a civil judgment.

5) Lump Sum Partial Payment

- After 5 years in default, clerk may with approval by court, accept a lump sum payment-in-full settlement.
- Must be equal to or greater than 50% of the amount owed
- Follow normal allocation when collected except clerk percentage in subsection (d) can be retained.

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**Criminal Payment Allocations**  
TCA 40-24-105(a)  
Allocation on/after January 1, 2022

- The first moneys paid in a case shall first be credited toward the payment of restitution owed to the victim. Note: If restitution added to a case prior to 1/1/2022 it would be paid after all other taxes, cost and fines.
- The next moneys shall be credited toward payment of litigation taxes
- The next moneys shall be credited toward payment of costs
- Then additional moneys shall be credited toward payment of the fine

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**Payment Plans – Criminal**  
Payment plans shall be set and must be reasonable and based on ability to pay.  
CR: 40-24-105(b)(1) and (b)(2)

- 1) The defendant shall enter into a payment plan with the clerk of the court after disposition of a criminal offense to make payments on the taxes, costs, and fines owed.
- 2) The clerk shall offer a payment plan which must be reasonable and based on a person's income and ability to pay, in accordance with subdivision (b)(1).
- 3) If a person has not paid all litigation taxes, court costs, and fines assessed as a result of disposition of any criminal offense within one (1) year of the date of the completion of the sentence, their DL will be suspended.

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**Payment Plans – Traffic**  
Payment plans shall be set and must be reasonable and based on ability to pay.  
TK:55-50-502(j)

- 1) The court shall require every licensee who is convicted of a driving offense and who does not pay the assessed fines and costs in full on the date of disposition to make payments pursuant to an installment payment plan.
- 2) The clerk of any court that handles traffic citations shall offer a payment plan, which must be reasonable and based on a person's income and ability to pay, to any person convicted of a driving offense.
- 3) A person may request, and the court clerk shall grant, modifications to a payment plan upon a change in the person's financial circumstance

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**Criminal Collections**  
 In-House  
 40-24-105(d)(1)

**In-House**

- 1) Defendant has the present ability to pay the fine and willfully refuses to pay.
- 2) Fine, costs, or litigation taxes have been in default for at least six (6) months, the criminal or general sessions court clerk may retain and collect.
- 3) Criminal or general sessions court clerk may retain up to fifty percent (50%) of the fines, costs and litigation taxes collected pursuant to this subsection.

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**Criminal Collections**  
 3<sup>rd</sup> Party Collection Agency  
 40-24-105(d)(1)

**3<sup>rd</sup> Party Collection Agency**

- 1) Defendant has the present ability to pay the fine and willfully refuses to pay.
- 2) Fine, costs, or litigation taxes have been in default for at least six (6) months.
- 3) The agent's collection fee shall not exceed forty percent (40%) of any amounts actually collected.

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**Criminal Collections**

**Revert to Civil Judgment: 40-24-105(f)**

If any fine, costs or litigation taxes assessed against the defendant in a criminal case remain in default when the defendant is released from the sentence imposed, the sentence expires or the criminal court otherwise loses jurisdiction over the defendant, **the sentencing judge, clerk or district attorney general may have the amount remaining in default converted to a civil judgment** pursuant to the Tennessee Rules of Civil Procedure. The judgment may be enforced as is provided in this section or in any other manner authorized by law for a civil judgment.

**Lump Sum Partial Payment**

- 1) After 5 years in default, clerk may with approval by court, accept a lump sum payment-in-full settlement.
- 2) Must be equal to or greater than 50% of the amount owed
- 3) Follow normal allocation when collected except clerk percentage in subsection (d) can be retained.

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Civil Collections

**20-12-144(a):**  
After 6 months default, may retain agent or institute the process to collect cost, if any portion of the court costs or litigation taxes, or both, **have not been paid within six (6) months after the adjudication** of a civil case, the clerk of the court may retain an agent to collect or institute proceedings to collect the costs or taxes, or both.

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Civil Collections

**1) In-House Collection 20-12-144 (c)(1)**  
The clerk may retain up to fifty percent (50%) of any portion of the court costs or litigation taxes, or both, which have not been paid within six (6) months after the adjudication of a civil case in accordance with any in-house collection procedure or, if an agent is used, for the collection agent, which may be allocated from each payment made on the amounts owing for such civil costs and taxes. The proceeds from any in-house collection shall be treated as other fees of the office.

**2) Agent-Third Party Collection 20-12-144 (c)(2)**  
On or after January 1, 2015, if an agent is used, the agent's collection fee shall be added to the total amount owed. The agent's collection fee shall not exceed forty percent (40%) of any amounts actually collected, which may be allocated from each payment made on the amounts owing for such civil costs and taxes.

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Questions???

CONTACT INFORMATION



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*Mission: To serve as a trusted resource to assist in improving the administration of justice and promoting confidence in the Judiciary.*

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