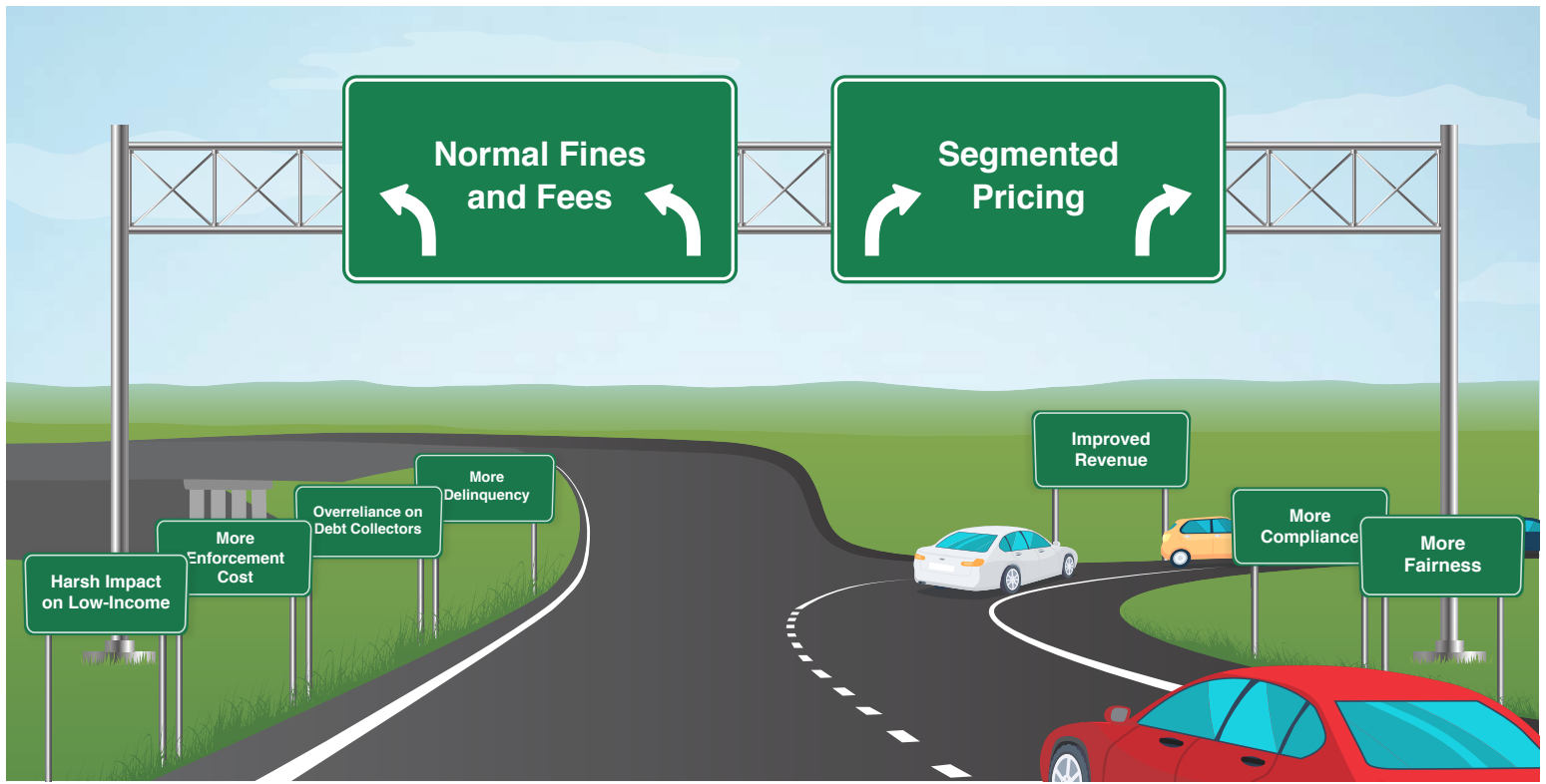




Segmented Pricing for Fines and Fees

Increasing Revenues and Fairness at the Same Time

Cities and counties across the U.S. increasingly rely on fines and fees to balance their budgets. However, fines and fees disproportionately fall on low-income residents who often are strained to pay. Therefore, local governments must become savvier about how they manage fines and fees. [This paper](#) contends that a pricing strategy called “segmented pricing” actually increases the revenues that local governments can raise from fines and fees while also reducing the hardships which fines and fees can place on low-income citizens. The essence of segmented pricing is to charge the citizen the price they can afford—no more, no less.

Traffic tickets, utility & sewage fees, court fines & fees, and fees related to jails and prisons are revenue streams that could benefit from segmented pricing. Jurisdictions are not able to abolish fines and fees because they must keep the government functioning. But there are large hidden costs (shared by residents and the local government) that should be considered. Many fines and fees harm the economic prospects of vulnerable residents, disproportionately impacting people of color in ways that sustain or exacerbate inequality and poverty. Segmented pricing offers an opportunity for local governments to take the lead on bolstering their cashflow and improving the lives of residents.



[Download the paper](#)

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[Project scope of work](#)

Have questions or want to apply for the pilot project? Contact research@gfoa.org.

