

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

April 15, 2003

TO: Honorable Robert Duncan, Chair, Senate Committee on Jurisprudence

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB538 by Hope (Relating to the funding of alternative dispute resolution systems.), **As Engrossed**

No fiscal implication to the State is anticipated.

The bill would amend Section 152, Civil Practice and Remedies Code, to increase the court cost that could be assessed for each civil case filed in a county or district court in the country from \$10 to \$15, with certain types of civil cases excluded. The court costs assessed in justice courts for civil cases would be increased from \$3 to \$5 and could be assessed by justice courts in any county. These fees are collected specifically for establishing and maintaining an alternative dispute resolution (ADR) system and under current statute, the \$3 fee assessed in justice courts is only applicable in a county with a population of over 2.5 million. The bill would take effect September 1, 2003 and apply only to civil cases filed on or after that date.

Local Government Impact

As an example of the local impact the increase could have, Harris County (population over 3.4 million, budget of approximately \$970 million) reports that in calendar year 2002, there were 39,395 applicable civil cases filed in district and county courts and 26,584 filed in justice courts. Anticipating an annual increase of 1 percent in those numbers, Harris County would experience an increase over currently collected fees in the amount of \$252,650 the first year to \$262,910 by 2007. Harris County considers the positive fiscal impact to be insignificant (less than 0.03 percent of the general fund operating budget).

Dallas County (population over 1.2 million) estimates the revenue from these fees would amount to a gain of \$320,000 over the currently collected \$500,000 annually. The fiscal year 2003 budget for the ADR system is \$691,000.

Tarrant County (population more than 1.4 million) estimates an increase of \$10,500 in revenue in county and district courts and a revenue gain of \$55,045 in justice courts in the first year of implementation. Based on current trends, the county estimates revenue from civil cases would increase by at least 2 percent each year thereafter.

Fort Bend County (population close to 355,000) collected \$52,385 for the ADR system in fiscal year 2002. They estimate the provisions of the bill would result in a revenue gain of \$6,000 annually.

Counties that currently are not authorized to collect a court cost for civil cases in justice courts would not only experience an increase in revenue as a result of raising the court cost from \$10 to \$15 in county and district courts, but would also benefit from being able to collect court costs in justice courts. The positive fiscal impact would vary by county, depending on the number of civil cases filed.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

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