

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 78TH LEGISLATIVE REGULAR SESSION

May 23, 2003

TO: Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

FROM: John Keel, Director, Legislative Budget Board

IN RE: HB599 by Chisum (Relating to the continuation and functions of the State Bar of Texas and to conflicts of interest with respect to certain persons engaged in the practice of law.),
Committee Report 2nd House, Substituted

Estimated Two-year Net Impact to General Revenue Related Funds for HB599, Committee Report 2nd House, Substituted: an impact of \$0 through the biennium ending August 31, 2005.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2004	\$0
2005	\$0
2006	\$0
2007	\$0
2008	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from <i>JUDICIAL FUND</i> 573	Probable Revenue Gain from <i>FAIR DEFENSE</i> 5073
2004	\$1,738,750	\$1,738,750
2005	\$1,738,750	\$1,738,750
2006	\$1,738,750	\$1,738,750
2007	\$1,738,750	\$1,738,750
2008	\$1,738,750	\$1,738,750

Fiscal Analysis

The bill would amend Government Code, Chapter 81, to implement certain recommendations of the Sunset Advisory Commission and continue the State Bar of Texas in existence until 2015. The State Bar operates as a public corporation funded primarily by membership dues and professional development program fees and is not subject to state appropriations. Additionally, under the provisions of the bill the State Bar would collect a new \$65 fee paid annually by members of the State Bar for the purpose of providing criminal defense and civil legal services to indigents. The bill would provide an exemption for certain Texas attorneys from paying the fees. The new collections would be forwarded to the Comptroller which would credit 50 percent of the remitted fees to the judicial fund for programs approved by the Supreme Court that provide basic civil legal services to the indigent. The Comptroller would credit the remaining 50 percent of remitted fees to the Fair Defense Account

(a General Revenue-Dedicated account) for improved defense services to indigent defendants.

Because the bill would create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either within or outside of the Treasury, or create a dedicated revenue source, the fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2003.

Methodology

The bill would provide for a minimum \$65 legal services fee but would allow the supreme court to increase the amount of the fee to no more than 120 percent of the lowest fee imposed during the preceding year. This estimate assumes the legal services fee would be \$65. The bill would exempt certain Texas attorneys from paying the new fee. Based upon occupation tax exemptions for 2002, 53,500 attorneys would be expected to pay the legal services fee. With each attorney not exempted paying a new fee of \$65 annually, the basic civil legal services account of Judicial Fund No. 573 would accrue revenue of \$1,738,750 annually. [53,500 members x \$65 fee = \$3,477,500; 50% of \$3,477,500 = \$1,738,750.] Likewise, the Fair Defense Account for services for indigent defendants would accrue revenue of \$1,738,750 annually.

Local Government Impact

This estimate assumes that additional revenue under the bill would result in savings to local governments for the costs of providing legal representation to indigent defendants. This estimate assumes new revenue would be distributed to local governments, in the amount of \$1,738,750 statewide, for providing legal representation to indigent criminal defendants.

Source Agencies: 116 Sunset Advisory Commission, 201 Supreme Court of Texas, 301 Office of the Governor, 344 Commission on Human Rights

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