

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

February 28, 2005

TO: Honorable Joe Nixon, Chair, House Committee on Civil Practices

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB282 by Hope (Relating to the funding of alternative dispute resolution systems.), **As Introduced**

No fiscal implication to the State is anticipated.

The bill would amend the Civil Practice and Remedies Code to authorize a county commissioners court to impose a maximum court cost for certain civil cases filed in county or district court of not more than \$15 to establish and maintain an alternative dispute resolution (ADR) system. The bill would also authorize a county commissioners court to impose an additional fee of no more than \$5 for the ADR system when certain civil cases are filed in a justice court.

The bill would take effect September 1, 2005 and would apply only to civil cases filed on or after that date.

Under current statute, the maximum court cost for establishing and maintaining an ADR system that can be imposed on certain civil cases filed in county and district court is \$10, and only justice courts in Harris County are allowed to impose an additional not to exceed \$3.

Local Government Impact

The OCA reports that there are 17 counties that operate an alternative dispute resolution program. There were 555,635 new civil cases filed in fiscal year 2004 in those county and district courts to which the court cost applied, as reported to the Office of Court Administration (OCA). If the current maximum court cost (\$10) had been imposed, those cases would have generated \$5,556,350 in court costs for use in the alternative dispute resolution program (555,635 cases X \$10 fee). Under the proposed statute, if the same number of new applicable cases were to be filed in fiscal year 2006 and the proposed maximum amount of \$15 in court costs were to be imposed, those cases would generate \$8,334,525 (555,635 cases X \$15 fee), which would be an increase in annual revenue among the applicable counties of \$2,778,175.

If all justice courts that currently are not eligible to impose an additional fee, but would be eligible by provisions of the bill, were to impose the additional fee to establish and maintain an ADR program, the cases in those courts would generate \$1,151,375 in new fee revenue (230,275 cases X \$5 fee). If justice courts in Harris County were to increase the additional fee imposed from \$3 to \$5 in fiscal year 2006, Harris County justice courts would experience a revenue increase for its ADR program of \$149,618 (\$2 increase in fee X 74,809 cases).

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

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