

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 12, 2007

TO: Honorable Will Hartnett, Chair, House Committee on Judiciary

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

IN RE: HB818 by Paxton (Relating to the creation of two additional judicial districts in Collin County.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB818, As Introduced: a negative impact of (\$271,921) through the biennium ending August 31, 2009.

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
2008	(\$84,974)
2009	(\$186,947)
2010	(\$203,946)
2011	(\$203,946)
2012	(\$203,946)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>GENERAL REVENUE FUND 1</i>	Probable Revenue Gain/ (Loss) from <i>JUDICIAL FUND 573</i>	Change in Number of State Employees from FY 2007
2008	(\$84,974)	(\$46,879)	1.0
2009	(\$186,947)	(\$103,129)	2.0
2010	(\$203,946)	(\$112,500)	2.0
2011	(\$203,946)	(\$112,500)	2.0
2012	(\$203,946)	(\$112,500)	2.0

Fiscal Analysis

The bill would amend Chapter 24, Government Code, to create two new judicial districts in Collin County, the 429th Judicial District and the 431st Judicial District. The 429th Judicial District would be created October 1, 2007, and the 431st Judicial District would be created October 1, 2008. The bill would take effect October 1, 2007.

Methodology

The annual salary provided by the state for a district judge is \$125,000, in addition to benefits (state contributions for group insurance and to the Judicial Retirement System) which are estimated to be \$33,223 annually. The total annual salary and benefits cost for a district judge is estimated to be \$158,223. Because a court would be created on October 1 of each fiscal year of the biennium, the fiscal impact for the first year of each court's operations is prorated to reflect 10 rather than a full 12 months of operations. The county would pay all other costs.

Local Government Impact

Collin County is currently served by the 199th, 219th, 296th, 366th, 380th, 401st, 416th and 417th judicial districts.

According to the Collin County auditor, the new judicial district courts' annual expenses would total \$654,418 in fiscal year 2008, and would include \$607,055 for salaries and benefits for court staff and \$47,363 for maintenance and operating costs. One time start-up costs for capital expenses would total \$122,222. For fiscal year 2009, the judicial district courts' costs would total \$1,431,058 and would include \$654,418 ongoing costs for the 429th Judicial District and \$776,640 for the 431st Judicial District, which encompasses one time start-up costs of \$122,222 for capital expenses.

For fiscal 2010 and beyond, total costs to Collin County would be \$1,308,836 ($\$654,418 \times 2$) annually.

Collin County's fiscal year begins October 1. For fiscal 2008, it is assumed that the proposed 429th and 431st judicial districts would be in start-up mode and would not generate the same amount of revenue that each of the other district courts generate for the county; therefore, no additional revenue would be available to offset the cost of the additional judicial districts. In the future, it is assumed that improved caseload management brought about by the creation of the new judicial districts could result in higher revenues; however, the amount of the increased revenues cannot be estimated.

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

LBB Staff: JOB, MN, ZS, JP, KJG