

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

Revision 1

April 3, 2007

TO: Honorable Aaron Pena, Chair, House Committee on Criminal Jurisprudence

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

IN RE: HB1193 by England (Relating to the imposition by a county or municipality of fees related to certain collection services.), **As Introduced**

The fiscal impact to the state would depend on how many counties or municipalities would choose to implement a collection fee for a collection program and the extent to which the program would increase fees collected, of which the state receives a portion.

The bill would amend the Code of Criminal Procedure to authorize the commissioners court in a county with a population of 50,000 or more or a municipality with a population of 100,000 or more to authorize the addition of collection fees for a collection program performed by employees of the commissioners court or municipal governing body.

The bill would take effect immediately if it were to receive the required two-thirds vote in each house; otherwise, it would take effect September 1, 2007.

Under current statute, only a municipality with a population of more than 1.9 million may authorize the addition of collection fees as described.

Local Government Impact

The impact on counties and municipalities would vary. According to assumptions and estimates by the Office of Court Administration (OCA), the bill would likely have a positive fiscal impact on local revenues because it would provide an incentive to counties and municipalities by providing a funding vehicle to improve their efforts to collect local court costs and fees that are over 60 days past due. This incentive may be attractive to counties and municipalities that may not have sufficient volume to attract a private collection vendor.

According to OCA, the bill has the potential to encourage greater collection efforts on undisposed cases at the justice and municipal court levels. The value of undisposed cases in 2006 is estimated to be approximately \$161 million at the justice and municipal court level statewide. It is unknown who might set up such a collection effort or what the increase in the collections would be.

Specific examples of estimated impact, however, were provided to the Comptroller of Public Accounts by the cities of San Antonio and Grand Prairie. San Antonio estimates that implementation of the provisions in the bill would result in an annual revenue gain of \$368,254. The city of Grand Prairie estimates that the 30 percent collection fee would generate approximately \$175,000 per year.

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

LBB Staff: JOB, ES, DB