

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: HB1442 by Hartnett (Relating to compensation paid to statutory county court judges and certain fees collected by statutory county courts.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1442, As Introduced: a positive impact of \$1,580,000 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	\$790,000
2009	\$790,000
2010	\$790,000
2011	\$790,000
2012	\$790,000

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/ (Loss) from <i>JUDICIAL FUND</i> 573	Probable Savings/(Cost) from <i>JUDICIAL FUND</i> 573	Probable Savings/(Cost) from <i>GENERAL REVENUE</i> <i>FUND</i> 1
2008	\$624,000	(\$6,570,000)	\$790,000
2009	\$749,000	(\$7,933,000)	\$790,000
2010	\$749,000	(\$7,933,000)	\$790,000
2011	\$749,000	(\$7,933,000)	\$790,000
2012	\$749,000	(\$7,933,000)	\$790,000

Fiscal Analysis

The bill would amend the Government Code, Chapter 25 to require the state to pay an annual salary supplement to all statutory county court judges. In addition, the bill would increase the annual salary supplement from \$35,000 to an amount equal to 60 percent of a district court judge's salary. The bill would require all counties to collect the fees and court costs supporting the salary supplement program.

The bill would repeal the requirements that the General Revenue Fund 0001 pay \$5,000 of each salary supplement and that excess contributions to the Judicial Fund 0573 be paid to counties. The bill would make conforming amendments and repeals.

The bill would take effect October 1, 2007.

Methodology

According to the Judiciary Section, Comptroller's Department, there are 218 statutory county courts, of which only 22 do not participate in the salary supplement program. The bill would require all counties to participate in the program and collect the fees and court costs to pay for the salary supplements. The bill would increase the salary supplement to 60 percent of the salary paid to a district court judge, or \$75,000, and remove the general revenue funding of \$5,000 per supplement.

The portion paid by Fund 0001, \$790,000 in obligations, would shift in obligation to the Judicial Fund 0573 by a like amount. The Judiciary Section of the Comptroller's Office estimates the total cost of the salary supplements to be \$16,350,000 in a full year and \$14,988,000 in the first year. Currently, the program runs a surplus. Approximately \$8.5 million is generated in revenue, \$5.9 million of which is paid out in salary supplements from Fund 0573, with the remaining \$2.6 million returned to the counties as excess contributions. This bill would pay the salary supplements with the excess contribution. The incremental costs, savings, and revenue are listed in the following table. Under the bill, Fund 0573 would run a deficit equal to the net of the probable costs and the revenue gained.

Local Government Impact

To the extent the bill would require local clerks to collect and report fees and court costs to pay the salary supplements, no significant fiscal implication to units of local government is anticipated.

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

LBB Staff: JOB, MN, ZS, TB