

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 19, 2007

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

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

IN RE: SB600 by Duncan (Relating to compensation paid to statutory county court judges and certain fees collected by statutory county courts.), **Committee Report 1st House, Substituted**

Estimated Two-year Net Impact to General Revenue Related Funds for SB600, Committee Report 1st House, Substituted: 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	\$5,997,000	(\$6,570,000)	\$790,000
2009	\$11,784,000	(\$7,933,000)	\$790,000
2010	\$12,004,000	(\$7,933,000)	\$790,000
2011	\$12,230,000	(\$7,933,000)	\$790,000
2012	\$12,459,000	(\$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, or \$75,000. The bill would require all counties to collect the fees and court costs supporting the salary supplement program. The bill would increase the court cost from \$4 to \$6, and increase the civil suit filing fee from \$37 to \$42.

According to the Judiciary Section, Comptroller's Department, the bill as substituted would generate sufficient revenues to the Judicial Fund No. 573 to pay the estimated costs of the additional salary supplements, as shown in the table above.

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 from \$35,000 to \$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, a portion of which are already paid under state law. Of these amounts, there are sufficient revenues to cover costs of only \$8,417,000 in a full year and \$8,418,000 in the first year resulting in deficits in the account as shown above of \$7,933,000 in a full year and \$6,570,000 in the first year.

The fiscal impact for the increase in the court cost and filing fee was based on historical data, and adjusted for growth and indigency. The court costs for criminal cases were multiplied by the number of convictions, reduced to reflect historical collection rates and adjusted for an implementation lag. Likewise, the filing fee for civil suits were multiplied by the total number of filings, reduced to reflect collection rates and adjusted for implementation lag.

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 tables.

Under the bill, Fund 0573 would initially run a deficit equal to the net of the probable costs and the revenue gained in fiscal year 2008, but beginning in fiscal 2009 additional revenues from the increase in court cost and filing fees would more than offset the additional expense to Fund 0573.

Local Government Impact

The bill would allow municipalities and counties to retain 30 cents of a \$2 increase in costs imposed upon conviction of any offense (other than those relating to pedestrians or parking). This estimate assumes the proposed \$2 increase in costs would result in new revenue to counties and municipalities of \$1,088,750 in fiscal year 2008 and \$1,306,500 in fiscal year 2009. 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: 304 Comptroller of Public Accounts, 212 Office of Court Administration, Texas Judicial Council

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