

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 25, 2007

TO: Honorable Robert Duncan, Chair, Senate Committee on State Affairs

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

IN RE: SB1204 by Duncan (Relating to the reorganization and administration of, and procedures relating to, courts in this state, including procedures for appeals.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB1204, As Introduced: a negative impact of (\$32,631) 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	\$0
2009	(\$32,631)
2010	(\$198,046)
2011	(\$3,863,308)
2012	(\$5,695,488)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/ (Cost) from <i>GENERAL REVENUE FUND 1</i>	Probable Savings/ (Cost) from <i>JUDICIAL FUND 573</i>	Probable Revenue (Loss) from <i>JUDICIAL FUND 573</i>	Change in Number of State Employees from FY 2007
2008	\$0	\$0	\$0	0.0
2009	(\$32,631)	(\$19,120)	\$10,958	1.3
2010	(\$198,046)	\$19,620	\$21,916	2.0
2011	(\$3,863,308)	(\$100,300)	\$320,995	42.0
2012	(\$5,695,488)	\$292,640	\$620,065	56.0

Fiscal Analysis

The bill would amend Chapter 24 of the Government Code to abolish 56 county courts at law and transfer pending cases to 56 new district courts in Calhoun, Cameron, Cass, Dallas, Ellis, El Paso, Galveston, Gregg, Hidalgo, Hood, Kaufman, Kendall, Midland, Nueces, Panola, Parker, Randall, Rockwall, Rusk, Smith and Travis counties.

Two county courts would be abolished and two district courts would be created on January 1, 2009. Fifty-four county courts would be abolished and 54 district courts would be created on January 1, 2011. The bill would give all new district courts the appellate jurisdiction of a county court at law and give some of the new district courts jurisdiction in probate and mental health proceedings.

The bill would also create a "Judicial Panel on Complex Cases." This panel would be appointed by the Chief Justice of the Supreme Court and would consist of active justices of the courts of appeal and/or regional presiding judges. The panel would be governed by rules promulgated by the Supreme Court.

The bill would amend Chapters 22, 23, 24, 25, 27 and 74 of the Government Code relating to the reorganization and administration of courts in the state and procedures for appeals. The bill would repeal Chapter 28 of the Government Code to abolish small claims court established under the chapter, effective July 1, 2008. It would require the justice of the peace to transfer all cases pending in a small claims court to a justice court in the county. The bill would also require the Texas Supreme Court to establish rules of civil procedure for small claims cases by July 1, 2008, and require a judge of a justice court to adhere to the rules.

Except as otherwise noted, the bill would take effect September 1, 2007.

Methodology

The State would be responsible for paying the annual salary (\$125,000) and benefits (\$33,223) for 56 district judges. The cost for the salary and benefits for two district judges for the two courts created in fiscal year 2009 would be \$210,964; in fiscal year 2010, the cost would be \$316,446. In fiscal year 2011, the remaining courts would be created and the annual cost for the 54 district judges' salaries and benefits would be as follows: \$5,696,028 in fiscal year 2011 and \$8,544,042 in fiscal year 2012. The cost of salary and benefits, however, would be offset by savings gained from the abolishment of the county courts at law, as follows: \$23,333 in fiscal year 2009; \$65,000 in fiscal year 2010; \$1,071,666 in fiscal year 2011; and \$1,575,000 in fiscal year 2012.

A state consolidated filing fee is assessed in civil cases in district courts that is not assessed in civil cases at the county court level. The fee is \$50 in a civil case and \$45 in a family law case. The fee is split between the Judicial Fund No. 573 (Other Funds) and the Basic Civil Legal Services Account within the Judicial Fund No. 573. An additional fee of \$10 is assessed in civil cases; in a family law case, the additional fee is \$5. The fee is credited to the Basic Civil Legal Services Account of the Judicial Fund No. 573. At the county court level, however, the fee is \$5 in all civil cases, which means that non-family law cases filed in district court would be assessed a fee that is \$5 higher than the filing fee in the county court at law. Case data was obtained from the Office of Court Administration. Costs to the Judicial Fund No. 573 would be offset by filing fee revenue from the new district courts. There would also be revenue gain to the Basic Civil Legal Services Account in Judicial Fund No. 573 from the filing fee revenue.

Local Government Impact

The Comptroller's Office contacted several counties to assist in estimating the fiscal impact of the bill. The Calhoun County Auditor's office estimated that beginning in fiscal year 2011, the county would experience a savings because it would no longer pay the salary and benefits for one county court at law judge, though the savings would be offset by the hiring of a deputy district clerk. The annual savings, after accounting for the deputy district clerk position, would be \$70,954.

The Ellis County Auditor's office estimated that beginning in fiscal year 2011, the county would experience a savings because it would no longer pay the salary and benefits for two county court at law judges. The annual savings would be \$217,927.

The Galveston County Auditor's office estimated that beginning in fiscal year 2011, the county would experience a savings because it would no longer pay the salary and benefits for three county court at law judges. The annual savings would be \$379,875.

The Travis County Auditor's office stated that beginning in fiscal year 2011, the county would experience a savings because it would no longer pay the salary and benefits for seven county court at law judges. The annual savings would be \$1,137,790.

All the affected counties would see some savings as a result of not paying the salary and benefits of county court at law judges.

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

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