

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION**

**April 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.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1204, Committee Report 1st House, Substituted: a negative impact of (\$132,631) 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	(\$132,631)
2010	(\$198,046)
2011	(\$3,115,506)
2012	(\$4,573,785)

**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>Basic Civil Legal Services Account in the JUDICIAL FUND 573</i>	Change in Number of State Employees from FY 2007
2008	\$0	\$0	\$0	0.0
2009	(\$132,631)	(\$19,120)	\$10,958	1.3
2010	(\$198,046)	\$19,620	\$21,916	2.0
2011	(\$3,115,506)	\$123,300	\$284,227	30.7
2012	(\$4,573,785)	\$603,590	\$546,530	45.0

**Fiscal Analysis**

The bill would amend the Government Code relating to the reorganization and administration of courts in the state and procedures for appeals. The bill would create a Judicial Committee for Additional Resources to determine whether certain cases require additional resources to be paid by the State. The bill would establish a grant program developed by the Task Force on Indigent Defense for counties with initiatives to enhance court systems. 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 45 district judges. The cost for the salary and benefits for two district judges for the two courts created in fiscal 2009 would be \$210,964; in fiscal 2010, the cost would be \$316,446. In fiscal 2011, the remaining courts would be created and the annual cost for the 43 district judges' salaries and benefits would be as follows: \$4,535,728 in fiscal 2011 and \$6,803,589 in fiscal 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 2009; \$65,000 in fiscal 2010; \$991,666 in fiscal 2011; and \$1,485,000 in fiscal 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 in a civil case is \$50, except in a family law case where the fee is \$45. 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 \$10 fee is assessed in civil cases, except in a family law case where the fee is \$5. The fee is credited to the Basic Civil Legal Services Account of the Judicial Fund. 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 0573 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.

According to the Office of Court Administration, the Supreme Court would incur travel expenses for a committee to advise the court on promulgating rules related to small claims in justice courts and for the new Judicial Committee for Additional Resources. Also, the Task Force on Indigent Defense would incur additional expenses to evaluate county requests for grants to enhance court systems. However, this estimate assumes the implementation of these functions could be absorbed within existing resources.

### **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 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.

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

**LBB Staff:** JOB, KJG, ZS, TB