

## **BILL ANALYSIS**

H.B. 3637  
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Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

With the economy continuing to suffer and the need for legal services for low-income Texans continuing to rise, the preservation of legal aid in Texas is now more important than ever. Funding for civil legal aid services in Texas, which depends primarily on interest on lawyers' trust accounts (IOLTA), is in financial crisis due to interest rates that have been reduced to their lowest levels in over two decades.

On December 16, 2008, the Federal Reserve lowered its benchmark interest rate to an all-time low of 0 percent from 0.25 percent. With such low interest rates resulting in little to no interest accumulating, conservative estimates for IOLTA funds in 2009 have plummeted to less than \$1.5 million, down from \$20 million in 2008. The Texas Access to Justice Foundation and the 42 nonprofit legal aid programs it funds, which are dependent upon IOLTA funds, will be drastically cut, if not eliminated. Diminished IOLTA funds will jeopardize free legal services touching issues such as landlord-tenant, foreclosure defense, family law, health and employment law, access to public benefits, and consumer protection. Texas must find alternate sources of funding to keep legal aid providers afloat without IOLTA funds. This bill will increase certain fees to provide funding for the delivery of basic civil legal services (BCLS) to low-income Texans and for support of the judiciary for court-related purposes. BCLS funds have historically supplemented IOLTA funds, allowing civil legal aid providers to offer legal services to more low-income Texans in need of assistance.

H.B. 3637 increases filing fees for various civil actions and proceedings in county and justice courts.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 3637 amends the Local Government Code to clarify that the clerk of a district court is required to collect filing fees for certain civil actions and proceedings used in programs that provide basic civil legal services for indigents in addition to the consolidated civil fee collected on the filing of any civil suit. The bill requires the clerk of a statutory or constitutional county court to collect a \$10, rather than a \$5, filing fee for certain civil actions and proceedings for use in programs that provide basic civil legal services for indigents, in addition to other fees authorized or required by law. The bill requires the clerk of a justice of the peace court to collect a \$6, rather than a \$2, filing fee for certain civil actions and proceedings for use in programs that provide basic civil legal services for indigents, in addition to other fees authorized or required by law.

H.B. 3637 amends the Government Code to make conforming changes relating to the filing fee increase in the statutory and constitutional county courts. The bill makes conforming changes

relating to the fee for filing an inventory and appraisal in a pending probate action in such courts. The bill makes conforming changes relating to the additional filing fee, on the filing of a civil suit in such courts, to be used for court-related purposes for the support of the judiciary.

H.B. 3637 amends Section 101.141(b), Government Code, as amended by Chapter 921 (H.B. 3167), Acts of the 80th Legislature, Regular Session, 2007, to make conforming changes including a change relating to the increased filing fee the clerk of a justice court is required to collect for certain civil actions and proceedings for use in programs that provide basic civil legal services for indigents.

H.B. 3637 repeals the following sections in the Government Code:

- 101.083
- 101.123

**EFFECTIVE DATE**

September 1, 2009.