

BILL ANALYSIS

C.S.H.B. 3776
By: Gallego
County Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Funding for civil legal aid in Texas, which depends primarily on interest accrued on lawyers' trust accounts funds, is currently in crisis due to expected funding cuts brought on by an unprecedented and dramatic reduction in interest rates. Conservative estimates projected for interest on lawyers' trust accounts funds for 2009 are less than \$1.5 million, down from the \$20 million of the previous year.

With interest rates so low, little or no interest will accumulate, which could mean cuts to the Texas Access to Justice Foundation and the 42 nonprofit programs it funds. Without interest on lawyers' trust accounts funds, core services for free legal advice and representation for low-income Texans with civil legal problems, such as landlord-tenant issues, foreclosure defense, family law matters, health and employment law, access to public benefits, and consumer issues, may be in jeopardy. As our nation's economy struggles and the number of persons needing legal services increases, the preservation of legal aid services in Texas is of great and continual importance.

C.S.H.B. 3776 requires a county clerk to collect a fee for a notice of sale filed under a power of sale conferred by a contract lien. This fee provides funding for programs approved by the supreme court that provide basic civil legal services to the indigent. These programs allow providers of civil legal aid to provide core legal services to more low-income Texans in need of assistance.

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

C.S.H.B. 3776 amends the Local Government Code to require a county clerk to collect a \$150 fee for a notice of sale of real property filed under provisions applicable to the sale of real property under a contract lien from the holder of the security instrument, unless the holder is the original grantee of the security instrument. The bill requires the county clerk to keep a separate record of the fees collected under the bill's provisions and to remit the fees to the county treasurer not later than the deadline provided by the law governing the time for making deposits. The bill authorizes the county to retain not more than five percent of the fees for the county's costs for implementing and administering these provisions. The bill requires the county treasurer, on or before the last day of the month following each calendar quarter, to remit to the comptroller of public accounts the money from all fees collected during the preceding quarter except as provided by the above provision. The bill requires the comptroller to deposit the money in the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3776 adds a provision not in the original authorizing the county to retain not more than five percent of the fees collected for the county's costs for implementing and administering the filing fee imposed on a notice of foreclosure sale. The substitute requires the comptroller of public accounts to deposit the money in the judicial fund for programs approved by the supreme court that provide basic civil legal services to the indigent, whereas the original requires the comptroller to deposit the money received to the basic civil legal services fund of the supreme court. The substitute differs from the original in nonsubstantive ways by using language reflective of certain bill drafting conventions.