

BILL ANALYSIS

H.B. 2076
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Urban Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, fewer tools are available to collect civil court costs compared to what is available for criminal court costs. Under current law, if a district, county, justice, or municipal court were to outsource collection for civil court costs, the fees paid to the contractor must come from the court costs owed to the court; thereby reducing the net revenue collected. However, when a district, county, justice, or municipal court outsources collection for criminal court costs they are allowed to add a collection fee of up to 30 percent of the amount owed. This ensures that the full amount owed to the State can be recovered.

The purpose of the bill is to bring the law on outsourcing collection of court costs on civil cases into alignment with the law on the collection of criminal court costs. This would give counties and municipalities an important tool in collecting unpaid court costs. The bill would allow a city or county to add an additional charge of up to 30 percent of what is originally owed to the court. Without the additional fee charged to pay for the outsourcing contractor, the case for outsourcing is significantly less attractive because the court would be forfeiting a significant portion of court cost revenue to pay the contractor fees.

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

SECTION 1. 140.009 CONTRACT FOR COLLECTION OF DEBTS IN CIVIL CASES. (a)

A city or a county may contract with a public or private vendor to collect a debt associated with a civil case if the debt is more than 60 days overdue.

(b) A city or county that contracts to collect a debt under section (a) can add an additional charge of up to 30 percent of the original amount owed. The fee must be used only to pay the vendor who collects the debt.

(c) This section does not apply to the collection of commercial bail bonds.

Section 2. Effective date: Takes effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the act does not receive the necessary votes for immediate effect, this act takes effect September 1, 2011.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.