

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 6, 2011

TO: Honorable Chris Harris, Chair, Senate Committee on Jurisprudence

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

IN RE: HB1614 by Gooden (Relating to fees for process server certification.), **As Engrossed**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1614, As Engrossed: a positive impact of \$1,632,192 through the biennium ending August 31, 2013.

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
2012	\$1,019,643
2013	\$612,549
2014	\$632,799
2015	\$839,349
2016	\$950,049

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1	Change in Number of State Employees from FY 2011
2012	\$1,109,994	(\$90,351)	1.0
2013	\$672,300	(\$59,751)	1.0
2014	\$692,550	(\$59,751)	1.0
2015	\$899,100	(\$59,751)	1.0
2016	\$1,009,800	(\$59,751)	1.0

The bill would amend the Government Code to allow the Process Server Review Board to recommend to the Supreme Court fees to be charged for the certification and renewal of certification of process servers. The Supreme Court would have to approve the fees before the fees may be collected. The proposed amendment also provides that the Office of Court Administration may collect the fees and that the fees collected shall be sent to the Comptroller for deposit into the General Revenue Fund. According to the bill, fees may only be appropriated to OCA for process server certification. The bill would take effect September 1, 2011.

Fiscal Analysis

According to the Office of Court Administration (OCA), there are currently over 6,000 certified process servers in Texas. Process servers receive a 3-year license. If a fee of \$75 per year is charged, the Office of Court Administration estimates that revenues will range from \$672,300 per year to over

\$1 million per year, depending on the number of process servers renewing their certification each year, as well as the number of new certificates issued. The bill would result in costs to establish a system to collect over 6,000 certification fees, as well as maintain administrative information associated with these certificates.

Methodology

Gain to the General Revenue Fund: This analysis assumes that all new process servers will pay a 3-year certification fee upon issuance of their initial certificate. In addition, in the first year of implementation, all currently-certified process servers will pay a pro-rated fee based on the number of months remaining before their scheduled renewal date. Projections are based on historical numbers of certificates issued since the program's inception in 2005. The higher amount of revenue projected for fiscal year 2012 is due to pro-rated fees in the first year of implementation. The higher amounts beginning in 2016 are based on projected growth in the number of certificates issued based on historical trends.

Costs to Certify Process Servers: Costs include one administrative staff person to process fees and handle other administrative paperwork associated with the certification of process servers (paid an annual salary of \$35,000, together with benefits of \$9,751). Costs include professional fees for computer programming that will allow the OCA's current software to properly account for the new fees and provide an interface to the State's Texas Online portal (\$25,000 in fiscal year 2012); computer equipment and modular furniture for the staff person (\$5,600 in fiscal year 2012); and costs associated with a lockbox function to receive fees and deposit them into the State Treasury, including other operating expenses (\$15,000 in fiscal year 2012 and each year thereafter).

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

LBB Staff: JOB, JT, ZS, TB