

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 11, 2011

**TO:** Honorable Jim Pitts, Chair, House Committee on Appropriations

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

**IN RE: SB1582** by Ogden (Relating to state fiscal matters related to the judiciary.), **As Engrossed**

**Estimated Two-year Net Impact to General Revenue Related Funds** for SB1582, As Engrossed: a positive impact of \$277,649 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	\$176,048
2013	\$101,601
2014	\$0
2015	\$0
2016	\$0

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain from General Revenue Fund 1	Probable (Cost) from General Revenue Fund 1	Probable Revenue (Loss) from Jud & Court Training Fd 540	Probable Revenue Gain from New General Rev- Dedicated-Jud & Crt Training Account
2012	\$266,399	(\$90,351)	(\$11,716,000)	\$11,716,000
2013	\$161,352	(\$59,751)	(\$10,660,000)	\$10,660,000
2014	\$0	\$0	(\$10,734,000)	\$10,734,000
2015	\$0	\$0	(\$10,818,000)	\$10,818,000
2016	\$0	\$0	(\$10,892,000)	\$10,892,000

Fiscal Year	Change in Number of State Employees from FY 2011
2012	1.0
2013	1.0
2014	0.0
2015	0.0
2016	0.0

Fiscal Analysis

The bill would amend the Government Code relating to state fiscal matters related to the Judiciary. Section 1 of the bill stipulates that reimbursements and payments to various persons, including state

employees, visiting judges, district judges, and prosecuting attorneys, not be made in an amount greater than amounts authorized in the General Appropriations Act. According to the Office of Court Administration, in some instances statute outside the General Appropriations Act determines the amount of reimbursements and payments to these various persons.

Section 2 of 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 could 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. The bill would allow fees collected to be appropriated for the support of regulatory programs for process servers and guardians. The bill would require the Office of Court Administration to no longer collect fees past \$500,000 for the biennium. Section 2 of the bill expires September 1, 2013.

Section 3 of the bill would change the classification of the Judicial and Court Personnel Training Fund No. 540 from Other Funds to a dedicated account within the General Revenue Fund.

Section 4 of the bill would eliminate the statutory rate for juror pay reimbursement for each day after the first day and replace the amount with language referencing the amount provided in the General Appropriations Act, payable by the Comptroller in quarterly payments to counties. The rate is currently \$40 per day after the first, with \$34 per day reimbursed to counties for each day following the first day. The legislation would result in four different rates each fiscal year as determined by amounts appropriated and the reimbursement claims submitted by counties on a quarterly basis.

The bill would take effect September 1, 2011.

## **Methodology**

No fiscal impact is anticipated to result from Sections 1 or 4 of the bill as the bill's language specifies that amounts would not be paid in excess of amounts appropriated in the General Appropriations Act.

According to the Office of Court Administration (OCA), there are currently over 6,000 certified process servers in Texas. Process servers receive a three-year license. If a fee of \$18 per year is charged, OCA estimates the revenues will be \$266,399 in fiscal year 2012 and \$161,352 in fiscal year 2013. Because authorization for fees collected under this section of the bill would expire September 1, 2013, no revenues would be generated in fiscal year 2014 and beyond. The bill would result in costs to establish a system to collect over 6,000 certification fees, as well as maintaining administrative information associated with these certificates. This estimate also assumes the collection of additional prorated fee revenue in fiscal year 2012.

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.

This analysis also assumes that 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 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).

This analysis projects probable revenue gain to the General Revenue Fund from the reclassification of the Judicial and Court Personnel Training Fund No. 540 from Other Funds to a General Revenue account of \$11,716,000 in fiscal year 2012 and \$10,660,000 in fiscal year 2013.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts

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