# **BILL ANALYSIS**

C.S.H.B. 2021 By: Rodriguez, Eddie Urban Affairs Committee Report (Substituted)

# BACKGROUND AND PURPOSE

Recent reports indicate that district clerks across the state have a significant amount of unpaid court costs on civil cases, particularly stemming from cases filed for child support establishment and collection and for family violence protection, which together comprise a significant percentage of the civil cases filed. Interested parties have raised concerns regarding the lack of available tools to recover those unpaid costs compared to the available tools to recover the respective costs for criminal cases. The parties have shown interest in outsourcing for the collection of these amounts in a manner similar to the outsourcing of the collected. The parties contend, however, that outsourcing currently is an unattractive option in civil cases as the court will forfeit a significant portion of the recovered amount to pay the contractor fees, since such fees must come out of the court costs to be collected. C.S.H.B. 2021 seeks to provide an effective means for a municipality or county to collect unpaid court costs in civil cases.

# **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. 2021 amends the Local Government Code to authorize the governing body of a municipality or the commissioners court of a county to contract with a private attorney or public or private vendor for the collection of an amount owed to the municipality or county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue. The bill authorizes the municipality or county contracting with an attorney or a vendor to authorize the addition of a collection fee of 30 percent of the amount referred and limits the use of the fee to the compensation of the attorney or vendor who collects the debt. The bill's provisions do not apply to the collection of commercial bail bonds.

### EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 2021 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

	INTRODUCED					HOUSE COMMITTEE SUBSTITUTE					
SECTION	1.	Chapter	140,	Local		SECTION	1.	Chapter	140,	Local	

83R 26774

13.122.704

Substitute Document Number: 83R 24600

Government Code, is amended by adding Section 140.009 to read as follows:

Sec. 140.009. CONTRACT FOR COLLECTION OF DEBTS IN CIVIL CASES. (a) The governing body of a municipality or the commissioners court of a county may contract with a private attorney or public or private vendor for the collection of a debt owed to the municipality or county relating to a civil case, including an unpaid fine, fee, or court cost, if the debt is more than 60 days overdue.

(b) A municipality or county contracting with an attorney or a vendor under Subsection (a) may authorize a collection fee of not more than 30 percent of the amount of the debt collected. The collection fee may be used only to compensate the attorney or vendor who collects the debt.

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

SECTION 2. This Act takes effect immediately if it receives a vote of twothirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2013. Government Code, is amended by adding Section 140.009 to read as follows:

Sec. 140.009. CONTRACT FOR COLLECTION OF AMOUNTS IN CIVIL CASES. (a) The governing body of a municipality or the commissioners court of a county may contract with a private attorney or public or private vendor for the collection of an amount owed to the municipality or county relating to a civil case, including an unpaid fine, fee, or court cost, if the amount is more than 60 days overdue.

(b) A municipality or county contracting with an attorney or a vendor under Subsection (a) may authorize the addition of a collection fee of 30 percent of the amount referred. The collection fee may be used only to compensate the attorney or vendor who collects the debt.

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

SECTION 2. Same as introduced version.