

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

March 29, 2013

TO: Honorable Tryon D. Lewis, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2302 by Hunter (Relating to the establishment of the statewide electronic filing system fund and to certain court fees and court costs to fund the account; imposing fees.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB2302, As Introduced: a negative impact of (\$4,968,000) through the biennium ending August 31, 2015.

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
2014	(\$2,484,000)
2015	(\$2,484,000)
2016	(\$2,484,000)
2017	(\$2,484,000)
2018	(\$2,484,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Savings/(Cost) from General Revenue Fund 1	Probable Savings/(Cost) from New General Revenue Dedicated Statewide Electronic Filing System Account	Probable Revenue Gain/(Loss) from New General Revenue Dedicated Statewide Electronic Filing System Account
2014	(\$2,484,000)	(\$15,641,000)	\$15,641,000
2015	(\$2,484,000)	(\$15,641,000)	\$15,641,000
2016	(\$2,484,000)	(\$15,641,000)	\$15,641,000
2017	(\$2,484,000)	(\$15,641,000)	\$15,641,000
2018	(\$2,484,000)	(\$15,641,000)	\$15,641,000

Fiscal Analysis

The bill would amend the Government Code, Chapter 51 to add a \$15 filing fee for civil cases at the probate, county, and district courts and Supreme Court. The bill would also add a \$5 court cost for criminal convictions from the justice, county and district courts. The bill would permit a judge to waive these fees if the individual is indigent. The bill would require the counties to remit the entire fee to the state and require the Comptroller of Public Accounts to deposit the fees to a Statewide Electronic Filing Fund as an account within the General Revenue Fund that can be appropriated to the Office of Court Administration and the Supreme Court for an electronic filing system.

Since revenue deposited into the new account consists of fees on civil cases, the Comptroller of Public Accounts may construe use of balances in the account for non-court related purposes as a potential violation of the open courts provision of the Texas Constitution (Art. I, Sec. 13).

The bill would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature.

The bill would take effect September 1, 2013.

Methodology

The Office of Court Administration (OCA) and the Comptroller of Public Accounts (CPA) indicated a state revenue to General Revenue-Dedicated funds from the civil and criminal fees created by the bill of \$15.6 million per fiscal year.

For the \$5 criminal court cost, the agencies multiply the number of convictions by the fee amounts and an estimated collection rate. The OCA uses an estimated 65 percent for justice courts and 40 percent for county and district courts. The agency reported 1,007,145 convictions in the justice courts, with \$3,273,221 in state revenue anticipated for per fiscal year. The agency reported 199,873 convictions in county and district with \$1,033,278 in state revenue anticipated for per fiscal year.

For the filing fees for civil cases, utilizing historical revenue collections in a similar civil filing fee, the OCA estimated that every \$1 of this type of civil filing fee raises \$454,358 in revenue at the justice courts, \$196,929 in the county courts, \$401,129 and in the district courts, \$5,107 in the intermediate appellate courts, and \$990 in the Supreme Court. The agency estimates a per fiscal year civil case revenue of \$2,271,790 from the justice courts for a \$5 filing fee. For the \$15 filing fee, the OCA also estimates per fiscal year revenue of \$2,953,935 from the county courts and \$6,016,935 from the district courts. The agency estimates a per fiscal year revenue of \$76,605 from the intermediate appellate courts and \$14,850 from the Supreme Court.

The OCA signed a new contract for an electronic filing system in November 2012, with full rollout scheduled in 2013. Additionally, the Supreme Court has mandated electronic filing for civil cases with a staggered implementation by the courts beginning in January 2014. The OCA estimates per fiscal year costs for the new system of \$18.1 million. It is assumed for this analysis that the \$15.6 million in revenue from the fees proposed by the bill would be appropriated for these costs and any difference would be funded by General Revenue Funds.

The CPA indicates that there would be costs associated with implementation of the bill. It is assumed the costs could be absorbed within current resources.

Local Government Impact

Local governments do not retain any portion of the proposed fees. However, the bill allows money from the fund to be used to provide grants to counties to implement components of the efilng project. There would be an indeterminate positive fiscal impact to counties that receive grant funding, but this would vary depending on how and where grant funding is distributed.

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

LBB Staff: UP, JJO, CL, ZS, JP, AM, TB, KKR