

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 84TH LEGISLATIVE REGULAR SESSION

May 5, 2015

TO: Honorable John T. Smithee, Chair, House Committee on Judiciary & Civil Jurisprudence

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB1806 by Tinderholt (Relating to service of process in this state.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for HB1806, As Introduced: a negative impact of (\$264,000) through the biennium ending August 31, 2017.

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
2016	(\$132,000)
2017	(\$132,000)
2018	(\$132,000)
2019	(\$132,000)
2020	(\$132,000)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from <i>General Revenue Fund</i> 1	Probable Savings/(Cost) from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2015
2016	(\$270,000)	\$138,000	(3.5)
2017	(\$329,962)	\$197,962	(3.5)
2018	(\$329,962)	\$197,962	(3.5)
2019	(\$329,962)	\$197,962	(3.5)
2020	(\$329,962)	\$197,962	(3.5)

Fiscal Analysis

The bill would amend the Civil Practice and Remedies Code to authorize an individual that is 18 years of age or older and is not a party to a suit or interested in the suit's outcome to serve process in a suit, including citation and other notices, writs, orders, and other papers issue by a court. The bill also authorizes only a sheriff or constable to serve a citation in an action of forcible entry and

detainer; a writ that requires the actual taking of possession of a person, property, or thing; or a writ requiring that an enforcement action be physically enforced by the person delivering the process.

The bill would take effect September 1, 2015 unless it receives a two-thirds vote of all members in which case it would take effective immediately.

Methodology

OCA is required to have fees, fines, and other miscellaneous revenues generated from these certification fees cover the cost of administering these certifications under current law.

OCA anticipates that the bill would result in a 75 percent reduction in revenues from process server certification fees and that OCA would retain 25 percent of the revenue, or an average of \$70,000 each year. The retained certification fees would be paid by certified process servers wishing to maintain their certifications, even if not required, due to the certification remaining an attractive credential for law firms and other parties that utilize process servers. Based on information provided by OCA, it is assumed that fees would not be assessed at an amount higher than the rate assessed in fiscal year 2015.

For the 2016-17 biennium, the Office of Court Administration (OCA) estimated \$270,000 in fiscal year 2016 and \$329,932 in fiscal year 2017 in process server certification fee revenue used to operate the Judicial Branch Certification Commission. The commission manages the process server certification, along with other certifications. This estimate assumes that revenues from this source will remain at fiscal year 2017 levels through fiscal year 2020.

Based on the analysis of OCA, it is also assumed that a savings of \$138,000 in fiscal year 2016 and \$197,962 in fiscal year 2017 and subsequent years would be realized from collected revenues not being sufficient to cover program costs for 3.5 FTEs each fiscal year.

Local Government Impact

There could be a loss of revenue as a result of the reduction in the number of processes served by sheriffs and constables; however, the amounts would vary depending on the decreased number of service of process and the amount of the fee charged by each county.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 307 Secretary of State

LBB Staff: UP, FR, MW, GDz, KVe