

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 1, 2017**

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

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2412** by Schofield (Relating to service of process in this state.), **As Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2412, As Introduced: a negative impact of (\$200,038) through the biennium ending August 31, 2019.

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:**

<b>Fiscal Year</b>	<b>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</b>
2018	(\$130,000)
2019	(\$70,038)
2020	(\$70,038)
2021	(\$70,038)
2022	(\$70,038)

**All Funds, Five-Year Impact:**

<b>Fiscal Year</b>	<b>Probable Revenue Gain/(Loss) from General Revenue Fund</b>	<b>Probable Savings/(Cost) from General Revenue Fund</b>	<b>Change in Number of State Employees from FY 2015</b>
	<b>1</b>	<b>1</b>	
2018	(\$268,000)	\$138,000	(3.5)
2019	(\$268,000)	\$197,962	(3.5)
2020	(\$268,000)	\$197,962	(3.5)
2021	(\$268,000)	\$197,962	(3.5)
2022	(\$268,000)	\$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, 2017 unless it receives a two-thirds vote of all members in which case it would take effective immediately.

### **Methodology**

The Judicial Branch Certification Commission, which is administratively attached to the Office of Court Administration (OCA), oversees the certification of process servers and 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.

According to OCA, there were 3,466 certified process servers in fiscal year 2017. OCA anticipates that the bill would result in a 90 percent reduction in certification renewal of process servers each year, or 1,040 process servers that would not renew their certifications. The renewal fee for a process server certification is \$225 if filed timely and \$335 if the renewal is late. This analysis assumes a reduction of 90 percent fewer certification renewals and that 30% of those renewals would have been filed late each year. This would result in a loss of revenue to the General Revenue Fund of approximately \$268,000 each year (730 timely renewals X \$225 timely renewal fee + 310 late renewals X \$335 late renewal fee).

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, 304 Comptroller of Public Accounts, 307 Secretary of State

**LBB Staff:** UP, LBO, MW, KJH, GDz, FR, KVe