

LEGISLATIVE BUDGET BOARD  
Austin, Texas

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

March 27, 2019

TO: Honorable Garnet Coleman, Chair, House Committee on County Affairs

FROM: John McGeady, Assistant Director     Sarah Keyton, Assistant Director  
Legislative Budget Board

IN RE: **HB2311** by Kacal (Relating to the portion retained by a municipality or county of certain court costs and fines imposed for a criminal offense.), As **Introduced**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB2311, As Introduced: a negative impact of (\$1,944,662) through the biennium ending August 31, 2021.

General Revenue-Related Funds, Five-Year Impact:

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2020	(\$972,331)
2021	(\$972,331)
2022	(\$972,331)
2023	(\$972,331)
2024	(\$972,331)

All Funds, Five-Year Impact:

Fiscal Year	Probable Revenue Gain/(Loss) from General Revenue Fund 1	Probable Revenue Gain/(Loss) from Trauma Facility And Ems 5111	Probable Revenue Gain/(Loss) from Various General Revenue-Dedicated Accounts
2020	(\$972,331)	(\$486,166)	(\$2,080,707)
2021	(\$972,331)	(\$486,166)	(\$2,080,707)
2022	(\$972,331)	(\$486,166)	(\$2,080,707)
2023	(\$972,331)	(\$486,166)	(\$2,080,707)
2024	(\$972,331)	(\$486,166)	(\$2,080,707)

Fiscal Analysis

The bill would amend the Local Government and Transportation Codes to allow a municipality or county with a population of less than 2,000 to retain 50 percent of the money collected for the Consolidated Court Cost fee in nonjailable misdemeanor cases and for the State Traffic Fine, as a service fee for the collection if the municipality or county makes a timely remittance of the remainder of the collection to the state.

The bill would allow a municipality or county with a population of less than 2,000 to exclude the fees collected for the consolidated court costs fee, and fees collected for the state traffic fine from its sources of revenue when determining the amount of money that the municipality or county may retain from fines collected for traffic offense involving rules-of-the-road violations, whether or not the offense is considered a moving violation, and from special expense fees collected from special expense fees as defined in the bill. A municipality or county would be permitted to retain from fines and special expense fees collected an amount equal to 30% of the municipality's or county's revenue for the preceding fiscal year from all sources of income, other than federal funds and bond proceeds.

**Methodology**

According to the Office of Court Administration and based on fiscal year 2018 case data, there are 380 municipal courts in cities with a population less than 2,000. These courts disposed of 228,027 fine-only misdemeanor cases. This estimate assumes that of 65 percent of these cases resulted in a conviction or deferred disposition; therefore, the estimated number of convictions or deferred dispositions in cities under 2,000 is 148,218. There are 19 counties with a population of less than 2,000 with justice courts in those counties disposing of 22,058 fine-only misdemeanor cases. This estimate assumes that 65% of these cases resulted in a conviction or deferred disposition; therefore, the estimated number of convictions or deferred dispositions in counties under 2,000 is 14,338.

The consolidated court cost for a fine-only misdemeanor is \$40. The total number of convictions in counties and cities under 2,000 of 162,556 (148,218 convictions in municipal courts plus 14,338 convictions in justice courts) would result in a total of \$6,502,210 in assessments for the consolidated court cost. This estimate assumes a collection rate of 80% for the consolidated court cost which would result in estimated revenue collections of \$5,201,768 each year.

Under current law, cities and counties retain 10 percent of consolidated court cost collections for which cities and counties under 2,000 would remit \$4,681,591 to the state. Under the provisions of the bill, cities and counties would retain 50 percent of consolidated court cost collections, or \$2,600,884. Therefore, the net loss to the state from amounts from the consolidated court cost that would, instead, be retained by local governments would be \$2,080,707 in All Funds each year.

Consolidated court cost revenue is distributed to various General Revenue-Dedicated accounts pursuant to Local Government Code 133.102. Under provisions of the bill, the following General Revenue-Dedicated accounts would see annual revenue decreases as follows:

General Revenue-Dedicated Account	Revenue Impact
Crime Stoppers Assistance, Account 5012	\$(5,370)
Breath Alcohol Testing, Account 5013	\$(11,459)
Law Enforcement Management Institute, Account 581	\$(45,115)
Law Officer Standards and Education, Account 116	\$(104,106)
Law Enforcement Retirement Fund, Account 977	\$(231,854)
Criminal Justice Planning, Account 421	\$(261,204)
Center for Study and Prevention of Juvenile Crime & Delinquency, Account 5029	\$(25,156)
Crime Victims Compensation, Account 469	\$(783,045)
Emergency Radio Infrastructure Fund, Account 5153	\$(116,319)
Judicial and Court Personnel Training, Account 540	\$(100,627)

Correctional Management Institute of Texas, Account 5083	\$(25,156)
Fair Defense, Account 5073	\$(371,296)
<b>Total</b>	<b>\$(2,080,707)</b>

The state traffic fine for a fine-only misdemeanor is \$30. Among all state traffic fines, approximately 54% of the dispositions were for traffic convictions or deferred dispositions. In fiscal year 2018 there were 135,046 convictions for traffic offenses in counties and cities under 2,000 resulting in \$4,051,380 in assessments for the state traffic fine. This estimate assumes a collection rate of 80% for the state traffic fine which would result in revenue collections of \$3,241,104.

Under current law, cities and counties retain 5% of the state traffic fine collections. This would have resulted in cities/counties under 2,000 remitting \$3,079,049 to the state. Under the provisions of the bill, cities and counties would retain 50% of the consolidated court cost collections. This would result in cities/counties under 2,000 remitting \$1,620,552 to the state. The net loss to the state from counties retaining a greater portion of the state traffic fine would be \$1,458,497. Under current law two-thirds of funds remitted to the state are deposited to the credit of the General Revenue Fund and the remaining one-third is deposited to the credit of General Revenue-Dedicated Designated Trauma Facility and EMS Account No. 5111 (Account 5111); therefore, the resulting loss to General Revenue would be \$972,331 and the resulting loss to Account 5111 would be \$486,166.

The combined revenue loss from both the consolidated court cost and state traffic fine for All Funds would be \$3,539,204 each fiscal year.

**Local Government Impact**

According to the Office of Court Administration, the bill would result in a net gain to local governments of \$3,539,214. The amounts that each city or county would gain would vary based upon the number of convictions in each city or county.

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

**LBB Staff:** WP, AF, SD, GDz, KFB, GP