

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION

May 7, 2025

TO: Honorable Bryan Hughes, Chair, Senate Committee on Jurisprudence

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: SB2883 by Hughes (Relating to the business court.), **As Introduced**

Estimated Two-year Net Impact to General Revenue Related Funds for SB2883, As Introduced: a negative impact of (\$14,825,025) through the biennium ending August 31, 2027.

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:

<i>Fiscal Year</i>	<i>Probable Net Positive/(Negative) Impact to General Revenue Related Funds</i>
2026	(\$8,437,420)
2027	(\$6,387,605)
2028	(\$6,387,605)
2029	\$0
2030	\$0

All Funds, Five-Year Impact:

<i>Fiscal Year</i>	<i>Probable Savings/(Cost) from General Revenue Fund 1</i>	<i>Change in Number of State Employees from FY 2025</i>
2026	(\$8,437,420)	32.0
2027	(\$6,387,605)	32.0
2028	(\$6,387,605)	32.0
2029	\$0	0.0
2030	\$0	0.0

Fiscal Analysis

The bill would amend the Government Code to extend the abolition date for the Second, Fifth, Sixth, Seventh, Ninth, and Tenth Business Court Divisions from 2026 to 2028, unless reauthorized by the legislature and funded through additional legislative appropriations.

The bill would amend the Government Code to give the business court civil jurisdiction concurrent with district courts in certain actions in which the amount in controversy exceeds \$4.5 million, rather than \$5.0 million, and \$9.5 million rather than \$10.0 million, in certain actions.

The bill would also amend the Government Code to provide that a business court judge who serves as

administrative presiding judge is entitled to an annual base salary from the state in the amount equal to \$1 more than the maximum salary from the state to which the judge is otherwise entitled under Section 659.012(a) or (b).

Methodology

Costs assumed by this analysis that are reflected in the table above are based on information provided by the Office of Court Administration (OCA).

The authorization of six new business courts includes six additional judges who would begin service as early as July 1, 2026. This analysis prorates the salaries of these six judges in fiscal year 2026.

Each of the six new business court judges would be entitled to the same salary as a district judge, or \$140,000. The administrative presiding judge of the business court would be entitled to \$5,001 in additional compensation pursuant to the base pay of a district judge outlined in statute. Under the provisions of the bill, the Comptroller's Department, Judiciary Section, would require \$215,001 in General Revenue in fiscal year 2026 and \$1,125,001 in fiscal year 2027 and 6.0 FTEs for six new business judge positions.

Based on information provided by OCA, court staff, operating expenses, and capital expenses are based on costs associated with setting up the first five business courts in the 2024-25 biennium.

OCA would require \$8,615,176 in General Revenue in fiscal year 2026 and \$7,117,659 in fiscal year 2027 and 32.0 FTEs to implement the provisions of the bill. This includes a biennial total of \$1,680,000 in capital costs for courtroom and office buildouts, \$7,432,952 for other operating expenses, \$3,056,606 for salaries, and \$1,315,465 benefits, for 6.0 court reporters, 6.0 court law clerks, 1.0 deputy clerk, 6.0 executive assistants, 6.0 staff attorneys and a project manager.

Technology

These costs include technology impacts of \$555,092 in fiscal year 2026 and \$34,592 in fiscal year 2027 for OCA to purchase computer equipment, video conferencing equipment, switches, routers, cabling, WiFi, and internet for the new locations.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council, 304 Comptroller of Public Accounts, 327 Employees Retirement System

LBB Staff: JMc, KDw, DA, JPa, NV, NTh