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FISCAL IMPACT REPORT

SPONSOR Maestas Barnes ORIGINAL DATE 2/13/15
 LAST UPDATED _____ HB 385

SHORT TITLE Alternative Dispute Resolution Costs SB _____

ANALYST A. Sánchez

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		
	\$50.0	\$50.0	Recurring	OSF

(Parenthesis () Indicate Revenue Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of Bill

House Bill 385 proposes to amend Section 34-6-45 NMSA 1978 allowing any judicial district to establish an alternative dispute resolution program in which the parties may be required to pay a fee on a sliding fee scale and the fees collected shall be deposited in a non-reverting fund that will be used to defray the costs of the program. The programs established under changes in this bill require a District Court rule approve by the Supreme Court.

FISCAL IMPLICATIONS

The AOC reports the following benefits for the court(s) and litigants.

For Court: The fee would allow district court to maintain and to expand ADR services. At the present, appropriated funds are insufficient to fully fund the administration of the programs and the compensation of service providers.

Court operating expenses directly related to the fee would be minimal. If the fee is paid to the service provider, then no additional administrative work is required. If the fee is paid into the

ADR fund, then court staff simply deposits the payment. However, if the fee is not paid as ordered, then enforcement would require additional court resources, such as an order to show cause for contempt.

Court overall operating expenses would be reduced. Resolution of cases and/or issues by ADR reduces the court resources required to dispose of a case.

For Litigants: Litigation is expensive, both in time and money. Expansion of ADR services financed by the fee would allow litigants to economically resolve cases and/or issues. Lower income litigants could have access to services at no charge or for a low fee. Those with an ability to pay contribute part of their fair share of program costs.

SIGNIFICANT ISSUES

According to the AOC, sliding fee scales for services rendered are already authorized by statute for some cases. Domestic Relations Mediation Act provides sliding fee scales for (1) child custody mediation and (2) safe exchange and supervised visitation programs. Sliding fee scales would be available for all cases. It is not expected that indigent and lower income parties will be charged a fee or a very modest fee to engender an investment into the ADR process.

ADMINISTRATIVE IMPLICATIONS

If the fee is paid to the service provider, then no additional administrative work is required. If the fee is paid into the ADR fund, then court staff simply deposits the payment. However, if the fee is not paid as ordered, then enforcement would require additional court resources, such as an order to show cause for contempt.

RELATIONSHIP

Relates to the General Appropriation Act.

ABS/bb/aml