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FISCAL IMPACT REPORT

SPONSOR Martinez ORIGINAL DATE 2/7/17
 LAST UPDATED 3/16/17 HB _____

SHORT TITLE Magistrate Court Operations Fund and Fees SB 304/aHAFC

ANALYST Downs

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY17	FY18	FY19		
\$0.0	>\$500.0	>\$500.0	Recurring	Magistrate Court Operations Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)

SUMMARY

Synopsis of House Appropriations and Finance Committee Amendment

The House Appropriations and Finance Committee amendment struck “making an appropriation” from the title of the bill. The committee also changed the bill to cause the proposed fund to revert to the general fund, and restricted use of the fund to be subject to appropriation by the legislature.

Synopsis of Original Bill

Senate Bill 304 reinstates a magistrate court operations fund, which will receive income from a magistrate courts operations fee. The bill renews the operations fee, which expired in 2014, and increases it from \$4.00 to \$5.00 until 2020. The creation of a fund is considered an appropriation even though no funds are directly appropriated in the bill.

FISCAL IMPLICATIONS

The original \$4.00 operations fee provided the magistrate courts with approximately \$500 thousand annually in fiscal years 2011, 2012, 2013 and 2014. According to the Administrative

Office of the Courts, “Revenue from this bill will compensate for the deficiency in the magistrate court operations budget, and should enable magistrate courts statewide to remain open without imposing unpaid employee furloughs and reduced and/or late payments to landlords, both public and private. Avoiding furloughs and meeting contractual obligations to lessors will allow courts to devote judge and staff time to processing caseloads.”

SIGNIFICANT ISSUES

The magistrate courts operations fee and fund were originally created in 2010 to relieve deficits within the magistrate courts stemming from the 2008 financial crisis. In 2015, the legislature passed a bill similar to Senate Bill 304 to continue the fee and fund, but it was vetoed and the impact of that veto is still felt in the magistrate court program of the Administrative Office of the Courts, which is projecting shortfall for lease payments in the current year.

JD/al/jle