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## FISCAL IMPACT REPORT

**ORIGINAL DATE** 2/4/2018  
**LAST UPDATED** \_\_\_\_\_ **HB** 235  
**SPONSOR** Garcia Richard  
**SHORT TITLE** Raise Municipal Court Automation Fee **SB** \_\_\_\_\_  
**ANALYST** Torres \_\_\_\_\_

### REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY18	FY19	FY20		
\$692.1	\$1,153.0	\$1,153.0	Recurring	Municipal Court Automation Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY18	FY19	FY20	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
<b>Total</b>	NFI	NFI	NFI	NFI		

### SOURCES OF INFORMATION

LFC Files

#### Responses Received From

Administrative Office of the Courts (AOC)

#### Responses Not Received From

Public Defender Department (PDD)

### SUMMARY

#### Synopsis of Bill

HB 235 amends Section 35-14-11 NMSA 1978 to raise the Municipal Court Automation Fee from six dollars (\$6.00) to ten dollars (\$10.00). The fees are to be collected upon conviction of those violating any ordinance relating to the operation of a motor vehicle or any ordinance that may be enforced by the imposition of a term of imprisonment.

## FISCAL IMPLICATIONS

According to the AOC:

Automation costs have steadily increased while the Municipal Court Automation Fee has remained stagnant at \$6 since 1998. This fee is the only source of revenue for the municipal Court Automation Fund. Many of the 81 municipal courts across the state rely on this fund to help them pay for items such as computers, software, and internet capability for the court that their municipalities would otherwise not be able to afford.

In addition, overall fee collections have declined. This decline follows the trend of other court fees across the state. Causes for the decline are varied and include reduced citation activity, increase in court appearances that result in deferrals and dismissals, increased inability and/or failure to pay on the part of defendants, and with the new Supreme Court Rules now in effect, an increase in waiving of fees and community service in lieu of fees for those unable to pay.

From FY09 through FY 17 municipal fees collected declined 29%. For FY16, municipal fees collected were \$805,061; for FY17 municipal fees collected were \$715,861, which is an 11% decrease. Municipal fees projected for FY18 are \$692,100 or a 3% decrease from FY17 based on first half FY18 fee collections of \$346,084. The projection for FY19 and FY20 represent FY18 projection increased by 66.67%, the proposed amount of the fee increase from \$6.00 (six dollars) to \$10.00 (ten dollars).

Fee collection has supported much of the courts' administrative operations for several years, and a recent decline in fee collection has depleted fund balances and strained court resources. The Court Automation Fund, supported by automation fees has fallen dramatically since FY15, which has necessitated general fund replacement of fund use.

## SIGNIFICANT ISSUES

The AOC identifies the following significant issues:

Pursuant to statute, municipalities enact ordinances requiring municipal judges to collect certain fees which are deposited in a special fund in the municipality. A portion of the fees dedicated to the Municipal Court Automation Fee are remitted monthly to the state treasurer and used for:

- Purchase, maintenance and operation of court automation systems in the municipal courts; staff expenses, temporary or otherwise;
- Costs needed to comply with Section 35-14-12 NMSA 1978 which states "By July 1, 1996, each municipal court shall have the capability of providing on a timely basis electronic records in a format specified by the judicial information system council tracking convictions of violations of municipal ordinances prohibiting driving while under the influence of intoxicating liquor or drugs and prohibiting domestic violence.

## PERFORMANCE IMPLICATIONS

The court automation systems are vital to providing electronic records in a format specified by the judicial information systems council. Without sufficient funding for judicial automation, court performance is profoundly impacted.

### **ADMINISTRATIVE IMPLICATIONS**

Minimal effort will be needed on the part of AOC staff to distribute information, interface with software vendors, and assist courts; this effort will be absorbed by existing staff and will have no cost impact to the state.

### **TECHNICAL ISSUES**

This increase in the fee will require an update to Odyssey, the statewide database for the courts. The update will require minimal costs associated with IT staff time.

### **OTHER SUBSTANTIVE ISSUES**

As per 34-9-12, there is created in the state treasury a “municipal court automation fund” to be administered by the administrative office of the courts. All balances in the municipal court automation fund may be expended only upon application by a municipality to the administrative office of the courts for the purpose of purchasing, maintaining and operating a court automation system in the municipality’s courts. Operation includes staff expenses, temporary or otherwise, and costs as needed to comply with Section 35-14-12 NMSA 1978.

### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

The courts have a requirement to provide electronic records in a format specified and in a timely manner; this requirement could be difficult to maintain if fee revenues continue to fall. To maintain current performance with falling fee revenue and status quo fee rates, general fund distributions to court automation will need to be increased.

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