

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 1332 (First Edition)

SHORT TITLE: Court Fee Changes.

SPONSOR(S): Senator Clodfelter

FISCAL IMPACT					
	Yes (x)	No ()	No Estimate Available ()		
	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>
REVENUES:	\$6,408,866	\$5,917,125	\$3,425,384	\$1,933,643	\$1,933,643
(Net General Fund)					
EXPENDITURES:					
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Administrative Office of the Courts.				
EFFECTIVE DATE:	July 1, 2004				

BILL SUMMARY: Amends GS 7A-304(a)(2) and -305(a) to increase fees for use of courtrooms in criminal and civil matters in district courts to \$17 (was \$12) and in superior court to \$35 (was, \$16). Further amends GS 7A-304(a)(4), -304(a)(2), -306(a)(2) and 307(a)(2) to provide for an annual increase of fees remitted to the NC State Bar as follows: 2004-2005 - \$2; 2005-2006 - \$3; 2006-2007 - \$4; and 2007-2008 and after - \$5 (currently, \$1.05). Amends GS 7A-304(a)(5) to increase the fee for using pretrial release services to \$30 (was, \$15). Amends GS 7A-305(a)(2) to increase fee for support of General Court of Justice to \$82 (was, \$69) and amends GS 7A-306(a)(2) and GS 7A-307(a)(2) to increase same fee to \$75 (was, \$30). Effective July 1, 2004.

Source: Bill Digest S.B. 1332 (05/26/2004)

ASSUMPTIONS AND METHODOLOGY:

1. SB 1332 increases General Court of Justice fees for Superior Court Civil (from \$69-\$82), District Court Civil (\$54-\$75) and Estates and Special Proceedings (from \$30-\$75). This will result in more uniform fees: \$75 for all District Court or Special Proceedings and \$82 for all

Superior Court. Based on 2001-2002 collections, this will increase General Fund receipts by **\$7,826,020 for a full year's collections in FY2004-05**. As court fees have grown very slowly, absent any rate changes, no growth is assumed in the second year of the biennium. As these are civil fees, collections should increase immediately upon the effective date of the bill.

2. Currently, \$1.05 of each court fee (with some exceptions) is earmarked for the North Carolina State Bar, which provides the funds for access to civil justice through grants to legal services programs. SB 1332 would increase the earmarked amount to \$2 in 2004-2005, \$3 in 2005-2006, \$4 in 2006-2007 and \$5 in 2007-2008. Based on current collections of \$1,536,917, this would cost the General Fund \$1.4 million in 2004-2005 and \$2.9 in 2005-2006.

Local Government Impact

Because the Pretrial Release Fees and Facilities Fees are transferred to local governments, SB 1332 will increase revenues to local government as well.

1. SB 1332 increases facilities fees by \$5 for Superior Court Criminal cases, \$19 for Superior Court Civil, \$7 for Special Proceedings and Estates, \$5 for District Court Criminal, \$1 for District Court Civil and \$5 for Magistrate civil and criminal. This will result in facilities fees of \$35 for all Superior Court cases and \$17 for all District Court/Magistrate cases. Based on 2002-2003 collections of facilities fees, this will increase collections by **\$7,650,896 in FY2004-2005**, assuming full year implementation. Court fee collections usually reflect changes immediately in civil cases but there can be a 1-3 month lag in criminal collections. Facilities fee collections have increased an average of 3% over the past three years so a 2% increase in 2005-2006 over 2004-2005 is projected, resulting in a projection of **\$7,803,914**. Facilities fees are collected by the courts and distributed to counties and cities; based on 2001-2002, 96.6% of collections will go to the counties with the remainder to a handful of municipalities in the cases where the municipality provides the facility. Two-thirds of these new revenues will come from District Court criminal cases.
2. SB 1332 increases, from \$15 to \$30, the fee for pretrial release services. In 2002-2003, the courts collected \$60,825 in pretrial release fees so the projected impact of doubling the fee is **\$60,825**, with no assumptions about growth over time.

SOURCES OF DATA: Administrative Office of the Courts.

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Douglas Holbrook

APPROVED BY: James D. Johnson, Director
Fiscal Research Division



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Signed Copy Located in the NCGA Principal Clerk's Offices