

Joint Committee on Ways and Means

Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Walker

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 20 – 1 – 1

House

Yeas: Buckley, C. Edwards, D. Edwards, Galizio, Garrard, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

Nays: Gilman

Exc:

Senate

Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett

Nays:

Exc: Winters

Prepared By: John F. Borden, Legislative Fiscal Office

Meeting Date: 6/18, 6/22

WHAT THE MEASURE DOES: HB 2287 extends the sunset on existing filing fee surcharges from June 30, 2009 to September 30, 2009. The bill establishes temporary surcharges on a variety of filing fees. The bill also establishes several temporary fees, and increases the amounts charged based on the value claimed by a plaintiff in civil cases. All of the surcharges and fees are temporary, and are effective October 1, 2009 through June 30, 2011. The bill creates a Judicial System Surcharge Account, and all fee and surcharge revenue collected from July 1, 2009 through June 30, 2011 is deposited into this new account, with the exception of that raised by local Justice of the Peace, municipal, and county courts.

The measure would raise an estimated \$39.6 million in surcharge and new fee revenue. The measure has an emergency clause and requires 3/5th vote for passage. All the surcharges and fee amounts would be statutorily established and be temporary with a June 30, 2011 sunset.

The bill provides for an initial distribution of up to \$10 million from the Judicial System Surcharge Account contingent on funds being available in the Account. These funds would be distributed on a 65%/35% basis to the Judicial Department and the Public Defense Services Commission. Any further distribution would require Legislative action, which is anticipated to include an allocation of \$275,000 for backfilling General Fund reductions related to the Council on Court Procedures and the Oregon Law Commission.

The bill establishes an Interim Committee on State Judicial System Revenues, with staff support provided by the Legislative Fiscal Office (LFO), Legislative Committee Services, and the Judicial Department. The Committee will make recommendations on Judicial Department fees, fines and surcharges, and recommend distribution of the temporary fee and surcharge revenue to justice system entities.

ISSUES DISCUSSED:

- Need to backfill the General Fund reductions to Judicial System agencies.
- Need to develop a temporary fee structure that is fair, collectable, and does not hinder access to justice.
- Need to permanently address the Judicial Department fee structure and related issues.
- Need for Other Funds expenditure limitation (position/FTE authority) for the Judicial Department and Public Defense Services Commission during the February 2010 Special Legislative Session.

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: Justice System agencies are facing General Fund budget reductions that could affect access to justice. The Co-Chairs of the Joint Committee on Ways and Means convened a work group consisting of civil and defense trial lawyers, the Oregon Bar Association, representatives from collections and victims rights associations, the Oregon Judicial Department, and legislators to identify temporary surcharges that could be collected to partially restore these reductions. The distribution will be made by the legislature in a supplemental session, based on recommendations from the Interim Committee on State Judicial System Revenues, the revenue available, and the judicial system needs identified during the interim. Also identified was the need to simplify the arcane fee structure of the Judicial Department.