

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2287 **STATUS:** B Engrossed
SUBJECT: Temporary court fee surcharges and court revenue review
GOVERNMENT UNIT AFFECTED: Department of Revenue, Oregon Judicial Department, local governments, Legislative Committee Services, and Legislative Fiscal Office
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REVIEWED BY: Robin LaMonte
DATE: June 21, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See analysis		

REVENUES:
See Legislative Revenue Impact Statement

EFFECTIVE DATE: On passage

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

ANALYSIS: 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.

The measure is anticipated to generate \$39.5 million in additional revenue. The revenue will be used to partially backfill General Fund budget reductions in Judicial System agencies, primarily the Judicial Department and the Public Defense Services Commission.

The bill includes language that would provide for an initial distribution of up to \$10 million from the Judicial System Surcharge Account, contingent on funds being available in the Account. Distribution of revenue would be on a percentage basis, after actual administrative costs, up to 0.05 percent has been deducted for Department of Revenue (DOR). DOR estimates a minimal fiscal impact of approximately \$45,000. The Judicial Department could receive up to \$6.5 million, and the Public Defense Services Commission could receive up to \$3.5 million.

The projected balance remaining in the Account would be distributed based on the recommendation of the Interim Committee on State Judicial System Revenues and the actions of any Supplemental Legislative Session, 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 is charged with conducting a review of all existing Judicial Department fees, fines and surcharges; developing recommendations and draft legislation on improvements to the existing revenue structure, including simplification of the collection and distribution process; ensuring preservation or improvements to judicial system access; ensuring legislative oversight of judicial system revenue; and recommending distribution of the revenue to justice system entities.

Local Justice Courts, municipal courts and county courts would retain surcharges collected in be paid to the city or county and not be required to transfer such revenue into the Judicial System Surcharge Account. This would include any offense surcharge and other fee surcharges collectable in their courts (e.g., probate).