

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2710 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session  
Legislative Fiscal Office

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### Measure Description:

Revises laws relating to court fees.

### Government Unit(s) Affected:

Department of Agriculture, Department of Revenue(DOR), Housing and Community Services Department, Judicial Department, Oregon Health Authority (OHA), Oregon University System (OUS); Legislative Counsel

### 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:** The measure establishes a civil filing fee structure in statute. All of the fees are permanent and become effective July 1, 2011. The fees are fixed dollar amounts and do not include any add-on charges or surcharges. Fee amounts are uniform across all the state courts.

The fiscal impact of this measure is based on 24-months of revenue. OJD requires 120 days after the bill becomes law to implement the changes. This means that the measure must be enacted into law prior to April 15, 2011, if it is to be implemented on July 1, 2011.

The measure includes language that would provide for a statutory allocation of funds to a list of eligible entities.

The measure is estimated to generate \$86.7 million in total revenue, including a margin of error. Of this amount, at least \$12.1 million would be distributed to the Oregon State Bar for Legal Aid Services; \$17.2 million will be distributed to counties; \$3.7 million to other entities, and \$53.8 million to the General Fund. However, the Oregon Judicial Department (OJD) revenue management assessment of approximately eight percent would apply to all amounts collected. This would equal \$6.9 million and be deducted from the amount going to the General Fund. Therefore, the unallocated balance to be distributed to the General Fund would become \$46.9 million.

State General Fund revenue from civil filing fees in 2009-11, including HB 2287 surcharges, is \$62.1 million, according to an estimate prepared by the Judicial Department. Therefore, this bill as amended, would result in a net decrease in 2011-13 General Fund revenue of \$15.2 million.

The measure establishes the Court Civil Revenue Account in the Department of Revenue. Interest earned by the Account is credited to the General Fund. All civil filing fees are to be deposited into this new account, with the exception of those generated by the Oregon Judicial Department's Appellate Mediation Program.

The measure provides for a revenue distribution of 14 percent to Legal Aid Services of the Court Civil Revenue Account with a minimum guaranteed distribution of \$12.1 million. This revenue transfer occurs outside the state budget process.

Individual counties would receive a percentage revenue distribution of 70% of domestic relations filing fees in their counties. Counties will also receive an additional ten percent of remaining revenues from

the Court Civil Revenue Account. The total amount transferred to counties under this bill would be approximately \$17.2 million. The transfer will occur outside of the state budget process. Any of the monies received by counties under this measure, regardless of the source, can be used, at the discretion of the counties, to fund court construction, operation, and maintenance; domestic relations programs; and county law libraries. Counties would determine the funding priorities and what, if any, funds would be allocated between the various categories. How counties choose to allocate domestic relations-related revenues could have an effect on the ability of courts to effectively dispose of domestic relations cases.

The expenditure impact of the measure is indeterminate. OJD will likely have long-term administrative savings due to the elimination of multiple add-on fees, variable fees, and other fees that require separate fee calculations from receipting staff. OJD will have routine one-time costs associated with updating its information technology infrastructure to reflect the statutory changes in the measure.

There would be a minimal fiscal impact to the Department of Human Services/Oregon Health Authority and the Department of Revenue will have a minimal fiscal impact.

The Oregon University System, Housing and Community Services Department, and Department of Agriculture, Legislative Counsel, and local government would not have a fiscal impact as revenue allocations would continue to these entities based on their historic funding levels.

The fee changes in this measure relate only to matters filed in the state courts. Local justice, county, and municipal courts will continue to establish their own filing fee schedules, with the exception of probate fees, and will retain any civil filing fee revenue collected.