



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 111** SLS 19RS 277
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: **REVISED**

Date: June 2, 2019 2:43 PM	Author: CLAITOR
Dept./Agy.: 19th Judicial District Court/Various State Agencies	Analyst: Ryan Guidry
Subject: Deferral of court costs in the 19th JDC	

COURTS RE INCREASE GF EX See Note Page 1 of 2

Provides relative to court costs in suits involving the state and state agencies in the Nineteenth Judicial District Court. (8/1/19)

Proposed law removes the ability for local entities and certain state agencies to defer court costs in the 19th JDC. Certain state agencies, as specified in R.S. 36:4(A), retain the ability to defer court costs in the 19th JDC, but will require the deposit of a \$200 advance filing fee.

Proposed law authorizes the clerk of court to utilize the the Office of Debt Recovery (ODR) to collect deferred court costs that are unpaid after thirty (30) days after final judgement.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

EXPENDITURE EXPLANATION

There will be an indeterminable expenditure increase for all state and local governmental entities filing with the 19th JDC by either prohibiting the deferral of court costs or requiring a \$200 advance filing fee. Additionally, there will likely be an indeterminable expenditure and workload increase for state agencies associated with accounting requirements for processing payments to the 19th JDC.

State Agencies [R.S. 36:4(A)] Advance Filing Fee

Proposed law requires state agencies specified in R.S. 36:4(A) (all 20 executive branch departments except the Executive Department and the Office of the Lieutenant Governor) to pay a \$200 advance filing fee when filing in the 19th JDC. Currently, these state agencies are allowed to temporarily defer court costs; however, not all agencies elect to defer these costs. For state agencies that currently elect to temporarily defer these court costs, expenditures will increase by \$200 per filing. Estimates of the number of cases filed in the 19th JDC by these state agencies vary and are overall indeterminable. The EBR clerk of court estimates \$96,000 per year based on a reported 480 annual cases. In contrast, The Office of the Attorney General (AG) indicates it files 2,700 cases annually with 30% (810) filed in the 19th JDC. Based on these figures, expenditures would increase by \$162,000 for the AG alone.

For informational purposes, the AG reports an inventory of 12,000 cases that could be filed in the 19th JDC. Not all of these cases will be related to agencies included in R.S. 36:4(A), but the minimum cost to file these cases would be \$2.4 M (\$200 advance filing fee x 12,000 cases). It is unlikely that all of these cases would be filed in any single fiscal year, however the requirement of a \$200 advance filing fee could restrict the agency's ability to file these cases.

State Agencies [non R.S. 36:4(A)] Deferral of court costs prohibited

Proposed law will prohibit state agencies not listed in R.S. 36:4(A) from deferring court costs in the 19th JDC. Agencies not listed in R.S. 36:4(A) include agencies in the Executive Department, the Office of the Lieutenant Governor, the legislative branch, and the judicial branch. Currently, these state entities are allowed to temporarily defer the court costs, and in certain instances are not required to pay any court costs. The number of cases filed by these entities in the 19th JDC is unknown; therefore, the expenditure increase for these entities associated with the payment of court costs is indeterminable. To the extent that these state entities are required to pay court costs that otherwise would not have been required, expenditures will increase.

EXPENDITURE EXPLANATION CONTINUED ON PAGE 2

REVENUE EXPLANATION

There may be an indeterminable SGR increase for the Office of Debt Recovery (ODR) to the extent the 19th JDC clerk of court elects to utilize ODR to recoup delinquent court costs assessed to a third party. ODR collects a 25% fee on collected debts.

REVENUE EXPLANATION CONTINUED ON PAGE 2

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE 1

Local Entity deferral of court costs prohibited

Proposed law will prohibit local entities from deferring court costs in the 19th JDC. Currently, these local entities are allowed to temporarily defer the court costs, and in certain instances are not required to pay any court costs. To the extent these local entities are required to pay court costs that otherwise would not have been required, local expenditures will increase. Based on information provided by the EBR Clerk's office, expenditures for these local entities would increase approximately \$250,000 per year.

Additionally, the proposed law may have an indeterminable impact on the 19th district public defenders office (PDO). The PDO, which is currently operating under a restriction of services, is able to defer court costs associated with representation of indigent clients; however, proposed law would allow the 19th JDC to charge court costs to PDO in representation of indigent clients. Whether or not the 19th JDC would charge these court costs to the PDO or continue to allow the PDO to defer court costs is unknown, but to the extent the PDO is no longer allowed to defer court costs, proposed law could have significant impacts for the PDO.

State Agencies administrative expenditures

Currently, many of these court costs are paid upon receipt of final judgment and only when the court costs are assessed to the state agency. Proposed law will require all state agencies to make payments to the 19th JDC when filing rather than temporarily deferring these costs. This process will require some state agencies to develop processes for issuing physical payments to the 19th JDC, requiring additional staff and accounting. As an example, the Office of Risk Management indicates that proposed law would require two (2) additional T.O. positions to process payments and deposits, prepare claim file reconciliation, and deliver payments, for an estimated \$108,000 annually.

REVENUE EXPLANATION CONTINUED FROM PAGE 1

Additionally, there may be an indeterminable increase statutorily dedicated revenues and local fund revenues as court costs and filing fees are collected. These payments will be collected by the Clerk's office, and the Clerk will keep 50% of collections and disperse the remaining 50% to recipient governmental entities as provided in state law.

The official with the Clerk's office indicated that the remaining 50% of collections will be dispersed as follows: 19th Judicial District Expense Fund (21%); 19th Judicial District Building Fund (18%); Sheriff Fees in Civil Matters (6%); Judge's Supplemental Compensation Fund (2%); Secretary of State (1%); Judicial College (0.75%); State Fiscal (0.5%); Civil Case Reporting Form (0.25%); Pro Bono Fund (0.05%); Commissioner of Insurance (0.025%); Other disbursements required by other various statutes (0.425%).

Senate Dual Referral Rules

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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