

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1544 (Committee Substitute adopted 6/30/98)

SHORT TITLE: Raise Court Fees

SPONSOR(S): Representative Gardner

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>
Revenues from increasing criminal and civil case fees distributed to counties and municipalities:					
Criminal Service Fee	\$4,371,887	\$5,945,769	\$6,064,685	\$6,185,979	\$6,309,700
Criminal Facilities Fee	<u>\$4,754,570</u>	<u>\$6,466,212</u>	<u>\$6,595,536</u>	<u>\$6,727,447</u>	<u>\$6,861,994</u>
Subtotal	\$9,126,457	\$12,411,981	\$12,660,221	\$12,913,426	\$13,171,694
Civil Service Fee	\$1,672,751	\$2,274,942	\$2,320,439	\$2,366,849	\$2,414,187
Civil Facilities Fee	<u>\$2,271,834</u>	<u>\$3,089,694</u>	<u>\$3,151,488</u>	<u>\$3,214,518</u>	<u>\$3,278,808</u>
Subtotal	\$3,944,585	\$5,364,636	\$5,471,927	\$5,581,367	\$5,692,995
Total	\$13,071,042	\$17,776,617	\$18,132,148	\$18,494,793	\$18,864,689
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Judicial Department; County and Municipal Finance Offices					
EFFECTIVE DATE: October 1, 1998. Applies to fees assessed or paid on or after that date.					

BILL SUMMARY: *TO INCREASE THE PROCESS AND FACILITIES FEES IN THE GENERAL COURT OF JUSTICE.* This bill first amends G.S. 7A-304(a) by increasing the following fees in criminal court cases: 1) arrest and processing service fee from \$5 to \$10; 2) district court facilities fee from \$6 to \$12; and 3) superior court facilities fee from \$24 to \$30. Process and facilities fees for criminal cases are remitted directly to counties and municipalities for court related expenses. Applies to fees assessed or paid on after the effective date.

House Judiciary II Committee adopts following changes to bill:
Increases the following fees for civil court cases: 1) processing service fee from \$5 to \$10 (G.S. 7A-311(a)), 2) facilities fee for civil actions before a magistrate from \$6 to \$12 (G.S. 7A-305(a)), 3) facilities fee for civil actions in district and superior court from \$10 to \$16 (G.S. 7A-305(a)), and 4) facilities fees for special proceedings and estates cases from \$4 to \$10 (G.S. 7A-

306(a), 307(a)). If two or more civil actions are served simultaneously on one party, only one \$10 processing service fee will be charged. Process and facilities fees for civil cases are remitted directly to counties and municipalities for court related expenses.

ASSUMPTIONS AND METHODOLOGY: Judicial Department

Criminal Cases

The first section of this bill increases service and facilities fees associated with criminal court fees. For the criminal service fee, Judicial Department data for FY 1996-97 indicates that there were 1,600,808 total cases involving processing service fees. Of these 1,600,808 cases, an estimated 1,120,566, or 70%, were criminal cases subject to this provision. Raising this service fee from \$5 to \$10 would have increased revenues by \$5,602,830 in FY 1996-97. Extrapolating to future years using a conservative estimate of 2% growth in new criminal cases per year, we project the following annual revenue increases by raising district and superior court service fees:

FY 1998-99*	1,165,837 cases	\$5,829,183
FY 1999-00	1,189,154 cases	\$5,945,769
FY 2000-01	1,212,937 cases	\$6,064,685
FY 2001-02	1,237,196 cases	\$6,185,979
FY 2002-03	1,261,940 cases	\$6,309,700

***Since effective date is October 1, 1998, the actual revenue increase for FY 1998-99 would be \$4,371,887 (874,378 cases)**

For the criminal facilities fee, Judicial Department data for FY 1996-97 indicates that there were 997,017 criminal cases in district courts and 18,526 criminal cases in superior courts (1,015,543 total cases). Raising the district court facilities fee from \$6 to \$12 would have increased revenues by \$5,982,102, while raising the superior court facilities fee from \$24 to \$30 would have increased revenues by \$111,156. The total revenues gained by increasing the facilities fees would have been \$6,093,258. Extrapolating to future years using a conservative estimate of 2% growth in new criminal cases per year, we project the following annual revenue increases from raising the district and superior court facilities fees:

FY 1998-99*	1,056,571 cases	\$6,339,426
FY 1999-00	1,077,702 cases	\$6,466,212
FY 2000-01	1,099,256 cases	\$6,595,536
FY 2001-02	1,121,241 cases	\$6,727,447
FY 2002-03	1,143,666 cases	\$6,861,994

***Since effective date is October 1, 1998, the actual revenue increase for FY 1998-99 would be \$4,754,570 (792,428 cases)**

Civil Cases

The next section of the bill raises the service and facilities fees associated with civil actions¹. For the civil service fees, as indicated earlier, there were a total of 1,600,808 cases that involved processing service fees in FY 1996-97. Of these 1,600,808 cases, an estimated 428,746 cases, or 26%, were civil actions or special proceedings subject to this section. Raising the service fee from \$5 to \$10 would have increased revenues by \$2,143,730 in FY 1996-97. Extrapolating to future years using a conservative estimate of 2% growth in new civil actions and per year, we project the following annual revenue increases from raising civil service fees:

FY 1998-99*	446,067 cases	\$2,230,337
FY 1999-00	454,988 cases	\$2,274,942
FY 2000-01	464,088 cases	\$2,320,439
FY 2001-02	473,370 cases	\$2,366,849
FY 2002-03	482,837 cases	\$2,414,187

***Since effective date is October 1, 1998, the actual revenue increase for FY 1998-99 would be \$1,672,751 (334,550 cases)**

For the civil and estates facilities fees, Judicial Department data for FY 1996-97 indicated that there were 271,994 civil cases heard before a magistrate, 105,389 cases in district court and 21,807 cases in superior court, 29,106 special proceedings, and 56,952 estates cases (485,248 total cases). Raising the magistrate facilities fee from \$6 to \$12 would have increased revenues by \$1,631,964, while raising the district and superior facilities fee for civil cases from \$10 to \$16 would have increased revenues by a combined \$765,876 (\$635,034 from district court and \$130,842 from superior). Raising the special proceedings and estates facilities fees from \$4 to \$10 would bring in an additional \$516,348 (\$174,636 from special proceedings and \$341,712 from estates cases). The total revenues gained by increasing the facilities fees would have been \$2,914,188. Extrapolating this revenue increase to future years using a conservative estimate of 2% growth in new civil actions and estates cases, we project the following revenue increases from raising the civil and estates facilities fees:

FY 1998-99*	504,852 cases	\$3,029,112
FY 1999-00	514,949 cases	\$3,089,694
FY 2000-01	525,248 cases	\$3,151,488
FY 2001-02	535,753 cases	\$3,214,518
FY 2002-03	546,468 cases	\$3,278,808

***Since effective date is October 1, 1998, the actual revenue increase for FY 1998-99 would be \$2,271,834 (378,639 cases)**

SOURCES OF DATA: Judicial Department

TECHNICAL CONSIDERATIONS: None

**FISCAL RESEARCH DIVISION
733-4910**

¹ Civil actions are defined here as civil cases before a magistrate or in district or superior court, and special proceedings.

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DATE: July 1, 1998



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