

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** House Bill 1539

**SHORT TITLE:** Increase Court Fees

**SPONSOR(S):** Representative H. Hunter

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 1998-99</u></b>	<b><u>FY 1999-00</u></b>	<b><u>FY 2000-01</u></b>	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>
<b>Revenues from increasing criminal and civil case fees distributed to counties and municipalities:</b>					
Criminal Service Fee	\$5,829,183	\$5,945,769	\$6,064,680	\$6,185,974	\$6,309,695
Criminal Facilities Fee	<u>\$6,345,663</u>	<u>\$6,472,579</u>	<u>\$6,602,029</u>	<u>\$6,734,074</u>	<u>\$6,868,751</u>
Subtotal	\$12,174,846	\$12,418,348	\$12,666,709	\$12,920,048	\$13,178,446
Civil Service Fee	\$2,230,335	\$2,274,945	\$2,320,440	\$2,366,850	\$2,414,190
Civil Facilities Fee	<u>\$2,491,905</u>	<u>\$2,541,747</u>	<u>\$2,592,585</u>	<u>\$2,645,433</u>	<u>\$2,697,322</u>
Subtotal	\$4,722,240	\$4,816,692	\$4,913,025	\$5,012,283	\$5,111,512
<b>Total</b>	<b>\$16,897,086</b>	<b>\$17,235,040</b>	<b>\$17,579,734</b>	<b>\$17,932,331</b>	<b>\$18,289,958</b>
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Judicial Department; County and Municipal Finance Offices					
<b>EFFECTIVE DATE:</b> July 1, 1998					

**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 cases: 1) arrest and process 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. G.S. 7A-305(a) is amended to increase the facilities fee for civil actions before a magistrate from \$6 to \$12, and civil actions in district and superior court from \$10 to \$16. Lastly, this bill amends G.S. 7A-311(a) to raise the service and processing fee in all civil actions or special proceedings from \$5 to \$10. Only one \$10 fee will be charged when two or more civil action are served simultaneously on one party. Applies to fees assessed or paid on after the effective date.

**ASSUMPTIONS AND METHODOLOGY: Judicial Department**

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

FY 1997-98	1,142,977 cases	\$5,714,887
FY 1998-99	1,165,837 cases	\$5,829,183
FY 1999-00	1,189,153 cases	\$5,945,769
FY 2000-01	1,212,936 cases	\$6,064,680
FY 2001-02	1,237,195 cases	\$6,185,974
FY 2002-03	1,261,939 cases	\$6,309,695

For the facilities fee, Judicial Department data for FY 1996-97 indicates that there were 998,017 criminal cases in district courts and 18,526 criminal cases in superior courts. 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 this revenue increase to future years using a conservative estimate of 2% growth in new criminal cases per year, we project the following annual revenue increases:

<b>FY 1997-98</b>	<b>1,036,873 cases</b>	<b>\$6,221,238</b>
District Court	1,017,977 cases	\$6,107,862
Superior Court	18,896 cases	\$113,376
<b>FY 1998-99</b>	<b>1,057,611 cases</b>	<b>\$6,345,663</b>
District Court	1,038,337 cases	\$6,230,019
Superior Court	19,274 cases	\$115,644
<b>FY 1999-00</b>	<b>1,078,763 cases</b>	<b>\$6,472,579</b>
District Court	1,059,104 cases	\$6,354,622
Superior Court	19,659 cases	\$117,957
<b>FY 2000-01</b>	<b>1,100,339 cases</b>	<b>\$6,602,029</b>
District Court	1,080,287 cases	\$6,481,716
Superior Court	20,052 cases	\$120,313
<b>FY 2001-02</b>	<b>1,122,345 cases</b>	<b>\$6,734,074</b>
District Court	1,101,892 cases	\$6,611,356
Superior Court	20,453 cases	\$122,718

<b>FY 2002-03</b>	<b>1,144,792 cases</b>	<b>\$6,868,751</b>
District Court	1,123,930 cases	\$6,743,579
Superior Court	20,862 cases	\$125,172

The next section of the bill raises the service and facilities fees associated with civil actions<sup>1</sup>. Similar to criminal cases, fees in civil actions are collected by the Clerks' Offices and are transferred directly to counties and municipalities for court-related expenses. For the service fees, Judicial Department data for FY 1996-97 indicates a total of 1,600,808 cases that involved service and processing fees. Of these 1,600,809 cases, an estimated 480,242 cases, or 30%, were civil actions or special proceedings subject to this section. Raising the service fee from \$5 to \$10 would have increased revenues by \$2,401,210 in FY 1996-97. Extrapolating this revenue increase to future years using a conservative estimate of 2% growth in new civil actions and special proceedings per year, we project the following annual revenue increases:

FY 1997-98	437,321 cases	\$2,186,605
FY 1998-99	446,067 cases	\$2,230,335
FY 1999-00	454,989 cases	\$2,274,945
FY 2000-01	464,088 cases	\$2,320,440
FY 2001-02	473,370 cases	\$2,366,850
FY 2002-03	482,838 cases	\$2,414,190

For the civil action facilities fee, 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. 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). The total revenues gained by increasing the facilities fees would have been \$2,397,940. Extrapolating this revenue increase to future years using a conservative estimate of 2% growth in new civil cases, we project the following revenue increases:

<b>FY 1997-98</b>	<b>407,174 cases</b>	<b>\$2,443,044</b>
Magistrate	277,434 cases	\$1,664,603
District Court	107,497 cases	\$644,982
Superior Court	22,243 cases	\$133,459
<b>FY 1998-99</b>	<b>415,318 cases</b>	<b>\$2,491,905</b>
Magistrate	282,983 cases	\$1,697,896
District Court	109,647 cases	\$657,882
Superior Court	22,688 cases	\$136,127
<b>FY 1999-00</b>	<b>423,625 cases</b>	<b>\$2,541,747</b>
Magistrate	288,643 cases	\$1,731,856
District Court	111,840 cases	\$671,040
Superior Court	23,142 cases	\$138,851

<sup>1</sup> Civil actions are defined here as civil cases before a magistrate, or in district or superior court.

<b>FY 2000-01</b>	<b>432,097 cases</b>	<b>\$2,592,585</b>
Magistrate	294,416 cases	\$1,766,495
District Court	114,076 cases	\$684,461
Superior Court	23,605 cases	\$141,629
<b>FY 2001-02</b>	<b>440,739 cases</b>	<b>\$2,645,433</b>
Magistrate	300,304 cases	\$1,802,826
District Court	116,358 cases	\$698,145
Superior Court	24,077 cases	\$144,462
<b>FY 2002-03</b>	<b>449,554 cases</b>	<b>\$2,697,322</b>
Magistrate	306,310 cases	\$1,837,860
District Court	118,685 cases	\$712,111
Superior Court	24,559 cases	\$147,351

**SOURCES OF DATA:** Judicial Department

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION**

**733-4910**

**PREPARED BY:** Charles Perusse and Matt Bronson

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**DATE:** June 4, 1998



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