

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1397 (2nd Edition)

SHORT TITLE: Increase Service of Process Fees

SPONSOR (S): Representatives Goodwin and Miner

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
<i>County & City Governments</i>					
REVENUES	\$1,549,579	\$2,045,444	\$2,024,989	\$2,004,740	\$1,984,692
EXPENDITURES	None				
POSITIONS:	None				
PRINCIPAL DEPARTMENT (S) & PROGRAM (S) AFFECTED:	Local Governments				
EFFECTIVE DATE:	October 1, 2001				

BILL SUMMARY: HB 1397 increases the fee for service of process in civil actions from \$5 to \$10 and directs that at least 50% of the fees collected be used to support additional local law enforcement personnel if needed to assure timely service of process.

ASSUMPTIONS AND METHODOLOGY: The current \$5 service of process fee (also called officer fees) is distributed to local counties and municipalities for unrestricted use. It goes to the county or municipality depending upon which law enforcement authority did the service. In 1999-2000, \$7,458,539 was collected in service fees for both civil and criminal cases. This entire amount was distributed to local governments with 76% going to counties. The amount disbursed to individual counties ranged from \$5,909 to \$351,818 while the amount for individual municipalities ranged from \$0 to \$250,936.

Civil cases represented 27.7% of filings, or \$2,066,015. Doubling the civil fee only from \$5 to \$10 would increase receipts by this same amount. On average, each locality would see a

27.7% increase in their receipts. In the first year, the increase would be reduced by 25% because of the October 1 effective date.

Total receipts from service fees have declined each of the past 2 years with a 6.8% decline since 1996-7. It is not known how much of this decline was in civil rather than criminal service. However, based on this trend, we assume a 1% annual decline in receipts from this increase in service fees, as shown above.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Elisa Wolper

APPROVED BY: James D. Johnson

DATE: May 31, 2001

Official
Fiscal Research Division
Publication



Signed Copy Located in the NCGA Principal Clerk's Offices