



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Legislative Fiscal Note

Short Title: 2019 AOC Legislative Changes.-AB
Bill Number: House Bill 226 (Second Edition)
Sponsor(s): Representative R. Turner

SUMMARY TABLE

FISCAL IMPACT OF H.B. 226, V.2 (\$ in thousands)

	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
General Fund Revenue	108.0	216.0	216.0	216.0	216.0
Less Expenditures	-	-	-	-	-
General Fund Impact	108.0	216.0	216.0	216.0	216.0
NET STATE IMPACT	\$108.0	\$216.0	\$216.0	\$216.0	\$216.0

FISCAL IMPACT SUMMARY

Most of the changes in this bill would have no fiscal impact or an insignificant fiscal impact. Section 12 would increase a fee that would increase revenues to the General Fund by \$108,000 in FY 2019-20 and \$216,000 annually thereafter. Sections 7, 12, and 14 would create new fees that would be collected by the courts, but Fiscal Research cannot estimate the potential revenues to the General Fund from these fees.

FISCAL ANALYSIS

Section 1 of this bill would amend G.S. 7A-52(a) by increasing the types of situations in which the Administrative Office of the Courts (AOC) can assign emergency judges to court cases. Per G.S. 7A-52(b), emergency judges are paid \$400 per day of service, plus lodging, meal expenses, and actual mileage. It is unknown whether the frequency of AOC use of emergency judges will increase from the changes in this section or by how much if they do, so Fiscal Research cannot estimate the costs, if any, to the State from this section.

Section 2 of the bill would amend G.S. 7A-304(a) by repealing the mandate to provide notice and the opportunity to be heard by all government entities directly affected when a court waives or remits all or part of any court fines or costs. AOC reports that it currently mails over 600 notices to government entities statewide every month at a cost of approximately \$985 each time. Fiscal

Research does not anticipate any savings to the State from this section, but estimates that AOC would free up about \$11,820 to use towards other purposes.

Section 3 of the bill would modify the semiannual Business Court report into an annual report and eliminate the following reports: a report by the district attorneys on the worthless check collection program, a report on remanded cases, the Impaired Driving Integrated Data System report (which has never been produced), and the report on criminal court cost waivers. Fiscal Research estimates no fiscal impact to the State from the changes in Section 3.

Sections 4 and 5 would make conforming changes and would have no fiscal impact on the State. Section 6 would address the docketing of State Bar orders and would have no fiscal impact on the State.

Section 7 of the bill would amend G.S. 7A-38.2(f) by allowing the Dispute Resolution Commission to establish a fee of up to \$2,500 for any person who appeals an adverse determination to the full Commission for a full hearing, but fails to attend the hearing without good cause. The changes in this section may increase revenues to the Dispute Resolution Fund or may have a deterrent effect for the behavior covered by this fee. With no evidence of how this fee will apply, Fiscal Research cannot estimate the possible increase in revenues from this section.

Section 8 of the bill would make a conforming change to cover fingerprinting by local law enforcement agencies and would have no fiscal impact on the State.

Section 9 of the bill would amend G.S. 15A-1452 by establishing a review hearing for a previously imposed judgment upon determination of appeal. The hearing is held in order to ensure compliance with the appellate court's directive. The defendant is entitled to be present and represented by counsel to the same extent as in the original sentencing hearing. The changes in this section will likely increase post-appeal hearings by as many as 75 per year. Fiscal Research does not have an estimate for the costs of an individual post-appeal hearing and thus cannot estimate the costs to the State from the changes in this section.

Section 10 of the bill would make a conforming change and would have no fiscal impact to the State.

Section 11 of the bill would amend G.S. 48-2-403 by shifting the burden of mailing or delivering additional notices of adoption proceedings from the clerk of court to the petitioner. AOC does not have data on the number of adoption proceedings where additional notices to involved agencies were mailed or delivered. While the changes in this section may reduce the workload for clerks of court, the time savings would be insignificant and would have no fiscal impact on the State.

Section 12 of the bill would amend G.S. 7A-307 by adding a new \$20 filing fee to be assessed upon an application to the clerk of superior court for payments received on behalf of a decedent. While the assessment of a new filing fee for applications to the clerk for payments received on behalf of a decedent is expected to have a fiscal impact to the General Fund, AOC does not have an issue code associated with these specific filings. Fiscal Research can therefore not estimate the total fiscal impact to the General Fund from this new fee.



Section 12 would also increase the filing fee for a petition for a year's allowance to a surviving spouse or child from \$8 to \$20. AOC does have an issue code for the filing fee for petitions for a year's allowance to a surviving spouse or child. In FY 2017-18 there were 18,000 of these filings. Assuming a similar number of filings in future years, the annual revenue increase to the General Fund from this fee increase would be \$216,000 (18,000 times \$12 [\$20 minus \$8] equals \$216,000). Because this fee increase does not go into effect until January 1, 2020, the FY 2019-20 revenues are estimated to be \$108,000.

Section 13 would eliminate an obsolete reporting requirement on the clerks of court and would have no fiscal impact on the State.

Section 14 would amend G.S. 7A-308(a) by adding a \$300 fee assessed upon in rem foreclosures if the property is sold under execution. While the assessment of a new filing fee for applications to the clerk for payments received on behalf of a decedent is expected to have a fiscal impact to the General Fund, AOC does not have data on the different types of foreclosure proceedings or filing fees. Fiscal Research can therefore not estimate the total fiscal impact to the General Fund from this new fee.

Sections 15, 16, and 17 of the bill would make conforming changes and would have no fiscal impact on the State. Sections 18, 19, 20, 21, 22, 23, 24, and 25 make technical changes and would have no fiscal impact on the State.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

THE ADMINISTRATIVE OFFICE OF THE COURTS

LEGISLATIVE FISCAL NOTE – PURPOSE AND LIMITATIONS

This document is an official fiscal analysis prepared pursuant to Chapter 120 of the General Statutes and rules adopted by the Senate and House of Representatives. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts.

CONTACT INFORMATION

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