

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1952-01
Bill No.: SB 462
Subject: Circuit Clerk; Courts; Fees
Type: Original
Date: March 29, 2013

Bill Summary: This proposal authorizes circuit clerks to collect a surcharge for processing garnishments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	Up to \$1,916,666	Up to \$2,300,000	Up to \$2,300,000

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of State Courts Administrator (CTS)** assume this proposal authorizes circuit clerks to collect a surcharge for processing garnishments. Based on data for the past four years, FY 2009 through FY 2012, we assume that the average is approximately 237,354 executions and garnishments on which this surcharge could be applied. We assume all circuit courts would collect a \$10 surcharge and anticipate the revenue would be approximately \$2,373,540 in any given year.

FY 09	211,043
FY 10	231,258
FY 11	250,212
FY 12	<u>256,904</u>
Average	237,354

Officials at the **Office of Administration - Budget and Planning** assume this proposal establishes an additional court surcharge; therefore, 18e calculations will be impacted, based on the number of garnishments on which the surcharge could be applied. It is unclear from this proposal where the additional surcharge is to be deposited. If these monies are deposited into the state treasury, Total State Revenue will be increased by a corresponding amount.

Since clerks of the circuit courts *may* collect a surcharge *not to exceed* \$10 and based on CTS' response, **Oversight** will reflect a potential income of up to \$2.3 million per year to the local circuit clerks. Oversight will reflect ten months of impact in FY 2014.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
CIRCUIT CLERKS			
<u>Income</u> - surcharge not to exceed \$10 in cases where a garnishment is granted.	Up to <u>\$1,916,666</u>	Up to <u>\$2,300,000</u>	Up to <u>\$2,300,000</u>
ESTIMATED NET EFFECT TO CIRCUIT CLERKS	Up to <u>\$1,916,666</u>	Up to <u>\$2,300,000</u>	Up to <u>\$2,300,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act authorizes clerks of circuit courts to collect a surcharge up to ten dollars when processing garnishments.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
Budget and Planning
Office of State Courts Administrator



Ross Strope
Acting Director
March 29, 2013

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