



HOUSE COMMITTEE ON APPROPRIATIONS
2009-10 Legislative Session

FISCAL NOTE

HOUSE BILL: 1861

PRINTER'S NO: 2490

PRIME SPONSOR: Caltagirone

FISCAL IMPACT SUMMARY	FY 2009/10	FY 2010/11
Revenue Increase:		
Judicial Computer System Augmentation Account	\$38,000,000*	\$57,000,000*
Access to Justice Account	\$5,000,000*	\$ 8,000,000*
Total revenue increase	\$43,000,000*	\$65,000,000*

*See Analysis

OVERVIEW:

House Bill 1861 amends Title 42 (Judiciary and Judicial Procedure) further providing for statutory surcharges on civil, criminal, and appellate court filings.

This legislation provides for the expansion of individuals subject to paying the existing \$10 surcharge by collecting the fee from defendants who are granted entry into an Accelerated Rehabilitative Disposition program or any other diversionary program. The \$10 surcharge will be apportioned as follows:

- \$8 will be deposited into the Judicial Computer System Augmentation Account
- \$2 will be deposited into the Access to Justice Account.

House Bill 1861 will amend Section 3733 of the Title 42 by imposing an additional surcharge of \$23 on:

- Initial filings with the Pennsylvania Supreme, Superior, and Commonwealth Courts.
- Any civil action or legal proceeding commenced with the prothonotaries, clerks of orphans' courts and registers of wills.
- Any criminal proceeding for which a conviction is obtained, a guilty plea is entered or a defendant is granted entry into an Accelerated Rehabilitative Disposition (ARD) program or any other pretrial diversionary program.
- Initial filings with the magisterial district judges (**with the exception of summary traffic offenses**).
- Recording of certain deeds, mortgages or property transfers which filings meet criteria to be designated by the Supreme Court.

The surcharge of \$23 will be apportioned as follows:

- \$20.35 will be deposited into the Judicial Computer System Augmentation Account.
- \$2.65 will be deposited into the Access to Justice Account.

The surcharge will be collected for 25 months from the effective date of this legislation. House Bill 1862 provides for the Administrative Office of Pennsylvania Courts (AOPC) to evaluate whether the surcharge is appropriate and, in turn, recommend to the General Assembly whether it should be decreased, increased, or remain unchanged.

House Bill 1861 also allows for AOPC to distribute funds into the Access to Justice Account throughout the year as needed, rather than on an annual basis.

This act shall take effect in 60 days.

ANALYSIS:

According to AOPC, the estimated number of ARD dispositions in 2007 was 42,000. This fiscal note assumes that the additional surcharges in House Bill 1861 will be in effect on November 1, 2009 with approximately 28,000 ARD dispositions will be subject to the existing \$10 surcharge for a total increase in revenue of \$282,000 for an eight month period in fiscal year 2009/10.

According to AOPC, the \$23 surcharge increase is expected to generate an additional \$43 million in fiscal year 2009/10. The combined increase in revenue for the Judiciary in fiscal year 2009/10 is estimated to be \$43 million and will be apportioned as follows:

- \$5 million to the Access to Justice Account
- \$38 million to the Judicial Computer System Augmentation Account

Assuming that the same surcharge is maintained at current level, after the 12 month evaluation period, for fiscal year 2010/11 the Judiciary can expect to collect an estimated total of \$65 million. In fiscal year 2010/11, expanded ARD fees would generate approximately \$423,000 and the \$23 surcharge increase would generate approximately \$64.6 million. The total increase in revenue collected by the Judiciary in fiscal year 2010/11 would be apportioned as follows:

- \$8 million to the Access to Justice Account
- \$57 million to the Judicial Computer System Augmentation Account

The temporary increase in fees by the courts is to be effective for 25 months:

- FY 2009/10 – 8 months
- FY 2010/11 – 12 months
- FY 2011/12 – 5 months

Again assuming that the same surcharge is maintained at current level after the initial 12 month evaluation period, fees collected in fiscal year 2011/12 would generate approximately \$27 million (\$3 million to Access to Justice Account and \$24 million to the Judicial Computer System Augmentation Account).

The actual amount of revenue generated under House Bill 1861 will be affected by the actual number of filings that occur in each year. Additionally, the amount of the surcharge may increase, decrease, or remain the same after the initial 12 months the increased surcharge is in effect after an evaluation by the Supreme Court.

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General Note and Disclaimer: *This Fiscal Note was prepared pursuant to House Rule 19(a), and the elements considered and reported above are required by Section 5 of the rule. Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*