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FISCAL IMPACT REPORT

ORIGINAL DATE 2/04/10
 LAST UPDATED 2/10/10 HB _____

SPONSOR Sanchez, M

SHORT TITLE Magistrate Courts Operations Fund & Fees SB 226/aSJC

ANALYST Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY10	FY11		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Non-Rec	Fund Affected
FY10	FY11	FY12		
NA	\$600.0	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Finance and Administration (DFA)

Administrative Office of the Courts (AOC)

Bernalillo County Metropolitan Court (BCMC)

SUMMARY

Synopsis of SJC Amendment

The Senate Judiciary Amendment removes “metropolitan courts” from receiving the funding generated by this bill in the new “Magistrate Courts Operations Fund.”

Synopsis of Original Bill

Senate Bill 226 would enact a new section of Charter 35 NMSA to create a “magistrate courts operations fund” in the state treasury for appropriation by the legislature for the operations of magistrate and metropolitan courts.

The bill would amend NMSA Section 66-8-116.3 to create a temporary new magistrate court operations fee of \$4.00, to be credited to the magistrate courts operations fund.

In addition, the bill would amend NMSA Section 66-8-119 to provide that all fees collected pursuant to Subsection I of Section 66-8-116.3 NMSA 1978 will be remitted to the state treasurer for credit to the magistrate courts operations fund.

Finally, the bill includes a provision that at the end of FY2014 any balances remaining in the magistrate courts operations fund will revert to the General Fund and the fund will be dissolved on July 1, 2014.

FISCAL IMPLICATIONS

In FY09, the Motor Vehicle Division made collections on penalty assessment misdemeanors on 157,760 citations. Based on that number of citations, The AOC estimates that the new fee of \$4 can be expected to generate collections of \$600 thousand in FY11, FY12, FY13, and in FY14 before the fee expires.

Therefore, the fiscal implication to the AOC is an addition of \$600 thousand to the budget for magistrate court operations. The annual budget for magistrate operations from all sources in FY10 is \$23 million, so that the fee could generate as much as 2.75% of the magistrate courts' operational costs.

In addition, there will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Any additional fiscal impact on the judiciary would be proportional to the enforcement of this law and commenced prosecutions. New laws, amendments to existing laws and new hearings have the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase.

SIGNIFICANT ISSUES

According to the Bernalillo Metropolitan Court, the fees that are currently added to the cost of a penalty assessment misdemeanor are already 15 times the amount of the penalty assessment itself. The Metropolitan Court has historically seen an increase in the number of "failure to appear" and "failure to pay" warrants that are issued each time the fees and costs related to penalty assessment misdemeanors and other traffic offenses are increased.

ADMINISTRATIVE IMPLICATIONS

Increased fees would create a moderate increase in work product of magistrate court employees.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB 179 would amend Section 66-8-116.3 to raise the traffic safety fee from \$3 to \$6 on penalty assessment misdemeanors.

HB 128 would amend Section 66-8-116.3 to require in a county with a metropolitan court, an additional assessment of 410 on each penalty assessment misdemeanor for local government corrections costs.

ALTERNATIVES

The Legislature could consider deferring a percentage of the revenues to the General Fund.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

CS/mt:svb