

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

Legislative Fiscal Note

BILL NUMBER: House Bill 343 (Second Edition)

SHORT TITLE: Courts/Procedure and Fee Amendments.-AB

SPONSOR(S): Representative Turner

FISCAL IMPACT

(\$ in millions)

Yes No No Estimate Available

Table with 5 columns: State Impact, FY 2013-14, FY 2014-15, FY 2015-16, FY 2016-17, FY 2017-18. Rows include General Fund Revenues, General Fund Expenditures, State Positions, and NET STATE IMPACT.

PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Administrative Office of the Courts
EFFECTIVE DATE July 1, 2013 for Section 4. January 1, 2014 for Section 2. The remainder when it becomes law.
TECHNICAL CONSIDERATIONS: None

FISCAL SUMMARY:

The Fiscal Research Division (FRD) expects that the changes in this bill would lead to an insignificant loss of revenue for the State. FRD cannot estimate that amount at this time.

BILL SUMMARY:

Section 1 of this bill amends existing G.S. 7A-37.1(c) to allow non-binding arbitration on a civil claim of any amount in district court. Currently, arbitration is only available for claims of amounts of \$15,000 or less.

Section 2 amends existing G.S. 7A-305(a)(2) to clarify that the payment of the \$1,000 fee for the designation of a complex business case will be paid by the party requesting the designation and is due upon assignment. If no party files a notice of designation and the judge recommends the designation ex mero motu, the plaintiff is responsible for payment of the \$1,000 fee. Section 2 of

this bill has an effective date of January 1, 2014 and applies to all pleadings and motions filed on or after that date.

Section 3 amends existing G.S. 7A-305(a5) to clarify that the civil fee in this section apply to any civil action in the superior or district court wherein a party files a pleading containing one or more third party complaints. The fee already applies to pleadings containing counterclaims and cross-claims. This section also clarifies that the business court fee shall be collected in accordance with G.S. 7A-305(a).

Section 4 amends multiple sections within Chapter 7A to exempt motions to exempt property from a judgment from paying the General Court of Justice fee of \$20 in civil actions, special proceedings and administration of estates. This section also exempts motions filed by a child support enforcement agency from the same fee in civil actions and the \$15 fee for alias and pluries summons and endorsements on an original summons. The exemption of the child support enforcement agencies from fees is a codification of uncodified law enacted in 2011, and subsection (e) of Section 4 repeals that uncodified language. Section 4 has an effective date of July 1, 2013 and applies to pleadings filed on or after that date.

Section 5 amends subsection (a) of existing G.S. 7A-317, Counties and municipalities not required to advance certain fees, by requiring the payment of all costs and fees due to the court at the time of filing. It provides that the clerk of superior court may consent to allow the county or municipality to pay within 45 days of the date of the filing of any action. New subsection (b) directs the clerk of superior court to withhold all facilities fees due to be remitted to a county or municipality when the county or municipality does not pay costs and fees due to the court within 90 days of the date of the filing of any action.

Section 6 provides that changes to the disbursement priority of amounts collected in criminal matters that were enacted in 2012 apply to all amounts assessed or collected on or after the date this bill becomes law, so that all amounts will be disbursed by the same priority order going forward.

Sections 1, 3, 5, and 6 are effective when the bill becomes law and applies to actions filed and to amounts assessed or collected on or after that date.

#### **ASSUMPTIONS AND METHODOLOGY:**

The Fiscal Research Division (FRD) expects that the changes in Section 4 of this bill would lead to a small loss of revenue for the State. FRD cannot estimate that amount at this time.

The Administrative Office of the Courts (AOC) estimates that Sections 1, 2, 3, and 5 of this bill would not have a fiscal impact on the court system.

AOC cannot estimate the fiscal impact of Section 4, which provides an exemption for motions to exempt property from a judgment from the \$20 motions fee. AOC states that this change may cause a decrease in the number of these motions fees that are collected by the courts, but the agency cannot determine how many of the currently collected motion fees are assessed for this

specific reason. AOC does not anticipate that the exemption of the fee for actions filed by a child support enforcement agency would have a fiscal impact because this change codifies an existing exemption that was created in 2011.

AOC anticipates that the changes from Section 6 would be cost-neutral to the courts. Section 6 would streamline AOC's financial systems and disbursement priority procedures.

**SOURCES OF DATA:** Administrative Office of the Courts

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** May 1, 2013



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