

Multiple Agency Fiscal Note Summary

Bill Number: 5454 2S SB	Title: Court operations
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Administrator for the Courts	0	13,877,712	0	13,877,712	0	13,877,712
Department of Labor and Industries	0	(49,500)	0	(49,500)	0	(49,500)
Total \$	0	13,828,212	0	13,828,212	0	13,828,212

Local Gov. Courts *		19,275,320		19,275,320		19,275,320
Local Gov. Other **						
Local Gov. Total		19,275,320		19,275,320		19,275,320

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Administrator for the Courts	30.1	7,230,587	7,335,123	60.1	14,461,174	14,515,246	60.1	14,461,174	14,515,246
Department of Labor and Industries	.0	540	71,440	.0	540	71,440	.0	540	71,440
Total	30.1	\$7,231,127	\$7,406,563	60.1	\$14,461,714	\$14,586,686	60.1	\$14,461,714	\$14,586,686

Local Gov. Courts *	(29.8)		(6,735,187)	(59.6)		(13,470,374)	(59.6)		(13,470,374)
Local Gov. Other **									
Local Gov. Total	(29.8)		(6,735,187)	(59.6)		(13,470,374)	(59.6)		(13,470,374)

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Prepared by: Garry Austin, OFM	Phone: 360-902-0564	Date Published: Final 3/14/2005
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 11533

Judicial Impact Fiscal Note

Bill Number: 5454 2S SB	Title: Court operations	Agency: 055-Office of Administrator for Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Public Safety and Education Account-State 02V-1	6,938,856	6,938,856	13,877,712	13,877,712	13,877,712
Counties	8,776,028	8,776,028	17,552,056	17,552,056	17,552,056
Cities	861,632	861,632	1,723,264	1,723,264	1,723,264
Total \$	16,576,516	16,576,516	33,153,032	33,153,032	33,153,032

Estimated Expenditures from:

STATE	FY 2006	FY 2007	2005-07	2007-09	2009-11
State FTE Staff Years		60.1	30.1	60.1	60.1
Fund					
General Fund-State 001-1		7,230,587	7,230,587	14,461,174	14,461,174
Public Safety and Education Account-State	75,000	29,536	104,536	54,072	54,072
State Subtotal \$	75,000	7,260,123	7,335,123	14,515,246	14,515,246
COUNTY	FY 2006	FY 2007	2005-07	2007-09	2009-11
County FTE Staff Years		(47.8)	(23.9)	(47.8)	(47.8)
Fund					
Local - Counties		(5,491,713)	(5,491,713)	(10,983,426)	(10,983,426)
Counties Subtotal \$		(5,491,713)	(5,491,713)	(10,983,426)	(10,983,426)
CITY	FY 2006	FY 2007	2005-07	2007-09	2009-11
City FTE Staff Years		(11.8)	(5.9)	(11.8)	(11.8)
Fund					
Local - Cities		(1,243,474)	(1,243,474)	(2,486,948)	(2,486,948)
Cities Subtotal \$		(1,243,474)	(1,243,474)	(2,486,948)	(2,486,948)
Local Subtotal \$		(6,735,187)	(6,735,187)	(13,470,374)	(13,470,374)
Total Estimated Expenditures \$	75,000	524,936	599,936	1,044,872	1,044,872

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact:	Phone:	Date: 03/08/2005
Agency Preparation: Yvonne Pettus	Phone: (360) 705-5314	Date: 03/09/2005
Agency Approval: Jeff Hall	Phone: 360-357-2131	Date: 03/09/2005
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 03/09/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

Section 101 would provide that judges who are elected and qualify for state payment of one-half of their salary under chapter 3.46, 3.50, 3.58, or 35.20 are eligible to participate in the judicial retirement account.

Section 103 would provide that the state pays one-half of the salary of each district court judge.

Section 105 would provide that the state pays one-half of the salary of each district court judge who sits in a municipal department.

Section 106 would provide the salary of a municipal court judge shall be paid wholly by the city except when the city qualifies for state payment of one-half of the salary. The section lists the requirements for the state payment of one-half of the salary. The city would be responsible for all other compensation, benefits, and expenses related to the municipal court judges.

Section 108 would provide the salaries of municipal court judges in cities over 400,000 shall be paid wholly by the city except when the city qualifies for state payment of one-half of the salary. The section lists the requirements for the state payment of one-half of the salary. The city would be responsible for all other compensation, benefits, and expenses related to the municipal court judges.

Sections 101 through 108 would take effect July 1, 2006.

Sections 201 through 205 would establish trial court improvement accounts. One-half of the savings from the state assumption of district and municipal court judges' salaries would be deposited into the local trial court improvement account. The local trial court improvement account would be appropriated by the local legislative authority.

Sections 201 through 205 would take effect July 1, 2006.

Section 301 would increase the filing fee for district court civil cases from \$31 to \$43. This section would add a new \$43 filing fee for filing a counterclaim, cross-claim, or third-party claim in district court. This section would also increase other miscellaneous fees for courts of limited jurisdiction.

Section 302 would add a new \$43 fee to be assessed upon conviction or guilty plea of a criminal case in the courts of limited jurisdiction. The fee would be subject to division with the state.

Section 305 would increase the criminal jury demand fee in the courts of limited jurisdiction from \$25 to \$125.

Section 306 would increase the small claims filing fee from \$10 to \$14. This section would add a new \$14 filing fee for filing a counterclaim, cross-claim, or third-party claim in a small claims action.

Section 307 would increase the optional courthouse facilitator surcharge from a maximum of \$10 to a maximum of \$20.

Section 308 would increase the law library portion of the superior court filing fee from a minimum of \$12 to a minimum of \$17. The county legislative authority could increase the \$17 up to \$20 or \$30 in counties with multiple library sites. This section would also increase the law library portion of the district court filing fee from \$6 to \$7.

Section 309 would increase various superior court fees. This section would set the filing fee for an unlawful detainer answer at \$112. These fees are distributed 54 percent to the counties and 46 percent to the state Public Safety and Education Account.

Section 310 would increase various superior court fees. This section also would add several new superior court fees. These fees are retained wholly by the county.

Section 311 would increase the superior court filing fee from \$110 to \$200 for civil, domestic relations, probate and adoption cases. This section would increase the filing fee for unlawful harassment cases from \$41 to \$53. This section would increase the initial filing fee for unlawful detainer actions from \$30 to \$60. These fees are distributed to the county, local law library and the state Public Safety and Education Account.

II. B - Cash Receipts Impact

PART III - COURT FILING FEES

All fees in this bill are subject to waiver by the court. The cash receipts estimates are based on 2003 filings in district and superior courts.

The fee increases for the courts of limited jurisdiction, found in Sections 301 - 306, could result in an increase of \$2,664,461 to counties, \$861,632 to cities, and \$2,296,084 to the state Public Safety and Education Account. From the counties portion of the increase, the local law libraries could get an estimated net increase of \$108,650.

The fee increases for the superior courts, found in Sections 307 - 311, could result in an increase of \$6,111,567 to counties and \$4,642,771 to the state Public Safety and Education Account. From the counties portion of the increase, the local law libraries could get an estimated net increase of \$686,037. This estimate is based on the \$12 law library contribution. This is an estimate since counties currently have the option of distributing up to \$15 per filing to the law library rather than \$12. The counties would also have the option of increasing the contribution to \$20 or \$30 in counties with multiple law library sites.

The net impact of the fee increases included in this bill would be \$8,776,028 for counties (from this amount, \$794,687 would be dedicated to local law libraries), \$861,632 for cities, and \$6,938,856 for the state Public Safety and Education Account.

II. C - Expenditures

PART I - PAYMENT OF DISTRICT AND MUNICIPAL COURT JUDGE SALARY - Effective July 1, 2006

There are currently 107 elected district court judges. These 107 judges are the equivalent of 92.72 full-time equivalents. The salary for district court judges is set by the Citizens' Commission on Salaries for Elected Officials. The current compensation for district court judges is \$118,458. The salary for a part-time district court judge is prorated based on the number of hours the judge works.

There are currently 24 elected municipal court judges. These 24 judges are the equivalent of 23.55 full-time equivalents. Additionally there are 81 part-time, appointed municipal court judges. These part-time judges are the equivalent of 22.6 full-time equivalents. The salary level for municipal court judges is currently set by the city. This bill provides that if elected municipal court judges are compensated at a rate equivalent to 95 to 100 percent of the salary set for full-time district court judges, one-half of the salary will be paid by the state.

For the district court judges, the salary impact for the state would be an increase of \$59,229 per full-time equivalent. The state would also be responsible for the 2.5 percent judicial retirement account. The counties would continue to be responsible for payment of all other benefits for these judges. The total state responsibility for a fiscal year at the current salary level would be \$5,766,002 including the judicial retirement account contribution. The counties would save \$5,491,713 in district court judges' salaries annually.

The state would also incur responsibility for payment of one-half of elected municipal court judges. It is assumed that several cities that do not currently elect their municipal court judges would now elect their judges. For the purposes of this fiscal note, it is assumed that every city that currently has a judge working at 0.75 full-time equivalent that is not elected would now elect the judge. It is also assumed that these jurisdictions would not increase the number of hours the judge works. Further, it is assumed that the 81 part-time, appointed judges would remain part-time appointed judges and the cities would continue to pay the salary for these judges. The annual impact for the state would be \$1,464,585 for municipal court judges' salaries and the 2.5 percent contribution to the judicial retirement account. For the group of cities for which it is assumed would elect the judge, the cities would save \$1,243,474. If a larger number of cities decide to elect their judge, the impact for the state would be greater and the savings for the cities would be larger.

The Administrative Office of the Courts would be required to process salary warrants for the district and municipal court judges whose salary is paid one-half by the state. This additional work will require 0.5 FTE. Annual salary and benefits for this position would total \$27,036.

PART II - TRIAL COURT IMPROVEMENT ACCOUNTS - Effective July 1, 2006

Counties and cities would deposit one-half of the realized savings from the state payment of district and municipal court judges' salaries into trial court improvement accounts. These accounts would benefit the local courts and may only be used to fund improvements in staffing, programs, facilities, or services in the superior, district, and municipal courts. For counties, the amount that would be deposited into the trial court improvement account from the savings in district court judges' salaries would be \$2,831,738 annually. For cities, the amount that would be deposited into the trial court improvement account from the savings in municipal court judges' salaries would be \$621,737 annually.

PART III - COURT FILING FEES

The changes in the various filing fee amounts and the law library amount will require Judicial Information System programming changes. It is estimated the changes will require 500 hours of programming. At \$150 per hour, it is anticipated that changes will cost \$75,000.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

<u>State</u>	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		60.1	30.1	60.1	60.1
Salaries and Wages		6,904,916	6,904,916	13,809,832	13,809,832
Employee Benefits		352,707	352,707	705,414	705,414
Personal Service Contracts	75,000		75,000		
Goods and Services		2,500	2,500		
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$	75,000	7,260,123	7,335,123	14,515,246	14,515,246

III. B - Expenditure By Object or Purpose (County)

<u>County</u>	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		(47.8)	(23.9)	(47.8)	(47.8)
Salaries & Benefits		(5,491,713)	(5,491,713)	(10,983,426)	(10,983,426)
Capital					
Other					
Total \$		(5,491,713)	(5,491,713)	(10,983,426)	(10,983,426)

III. C - Expenditure By Object or Purpose (City)

<u>City</u>	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		(11.8)	(5.9)	(11.8)	(11.8)
Salaries & Benefits		(1,243,474)	(1,243,474)	(2,486,948)	(2,486,948)
Capital					
Other					
Total \$		(1,243,474)	(1,243,474)	(2,486,948)	(2,486,948)

III. D - FTE Detail

<u>Job Classification</u>	<u>Salary</u>	FY 2006	FY 2007	2005-07	2007-09	2009-11
District Court Judge	236,916					
Financial Services Analyst	36,708		0.5	0.3	0.5	0.5
Municipal Court Judge	204,166					
Total FTE's			0.5	0.3	0.5	0.5

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 5454 2S SB	Title: Court operations	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
Public Safety and Education Account-Non-Appropriated 02V-6	(24,750)	(24,750)	(49,500)	(49,500)	(49,500)
Total \$	(24,750)	(24,750)	(49,500)	(49,500)	(49,500)

Estimated Expenditures from:

Fund	FY 2006	FY 2007	2005-07	2007-09	2009-11
General Fund-State 001-1	270	270	540	540	540
Electrical License Account-State 095-1	90	90	180	180	180
Public Works Administration Account-State 234-1	630	630	1,260	1,260	1,260
Accident Account-State 608-1	10,109	10,109	20,218	20,218	20,218
Medical Aid Account-State 609-1	2,031	2,031	4,062	4,062	4,062
Medical Aid Account-Non-Appropriated 609-6	22,500	22,500	45,000	45,000	45,000
Pressure Systems Safety Account-State 892-1	90	90	180	180	180
Total \$	35,720	35,720	71,440	71,440	71,440

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/08/2005
Agency Preparation: Paula A Kerr	Phone: 360-902-4686	Date: 03/10/2005
Agency Approval: Chris P Freed	Phone: 360-902-6698	Date: 03/11/2005
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 03/14/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See Attached

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See Attached

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See Attached

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	35,720	35,720	71,440	71,440	71,440
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$35,720	\$35,720	\$71,440	\$71,440	\$71,440

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Part II: Explanation

Provides a more equitable balance of funding responsibility between state and local government, and increases funding to the trial courts.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Note: The section numbering system has changed in this version but the fiscal impact affecting Labor and Industries remains the same as SSB 5454.

Sec. 310 (4) Increases the fee for preparing a certified copy of an instrument on file or of record in the clerk's office, for the first page or portion of the first page from two (\$2) to five (\$5) dollars. For each additional page or a portion of a page a fee of one dollar (\$1) will be charged. The fee for authenticating or exemplifying an instrument is increased from one dollar (\$1) to two dollars (\$2). For preparing a copy of an instrument on file or of record in the clerk's office without a seal, a fee of fifty cents (\$0.50) per page must be charged. Copying a document without a seal or file that is in an electronic format, a fee of twenty-five (\$0.25) cents per page must be charged. For copies made on a compact disc, an additional fee of twenty dollars (\$20) for each compact disc must be charged.

Sec. 310 (14) Increases the fee for issuance of an extension of judgment under RCW 6.17.020 and chapter 9.94A RCW, from one hundred-ten dollars (\$110) to two hundred dollars (\$200).

Sec. 311 (2) (a) Increases the fee for a party filing the first or initial paper in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, from one hundred-ten (\$110) to two hundred (\$200). In an unlawful detainer action under chapter 59.18 or 59.20 RCW the plaintiff shall pay a case-initiating filing fee that is increased from thirty dollars (\$30) to sixty (\$60) dollars. In proceedings filed under RCW 28A.225.030 alleging a violation of the compulsory attendance laws, the petitioner shall not pay a filing fee.

(c) Increases the fee for filing of a petition for judicial review as required under RCW 34.05.514 from one hundred-ten dollars (\$110) to two hundred (\$200) dollars.

(e) Increases the fee for filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2) (a) from one hundred-ten dollars (\$110) to two hundred (\$200) dollars.

II. B – Cash Receipt Impact

None

II. C – Expenditures

For the Fraud program and the Crime Victims Program, the department charges the court fee to the debtor or the offender, respectively. However, some costs are not recoverable and these are the costs reflected in this fiscal note. Recovered expenditures from Contractor Bond Seizure in the Fraud program are treated as recoveries of expenditures (a credit to expenditures) hence non-recoverable expenditures are shown as a positive expenditure. Recovered expenditures for the Crime Victims Program are treated as revenue (a debit to revenue) hence non-recoverable expenditures are shown as negative revenue.

Fraud Program:

- The department files a lawsuit to capture a delinquent contractor's Contractor Registration Bond which is required to do business as a contractor. The action seizes the bond, leaving the contractor in a suspended state. Fees from Contractor Bond Seizure are processed via a cash/accounts receivable accounting transaction process. This process also allows the department to write off uncollectible debt. It has no impact on expenditures but is shown in the table below to demonstrate a dollar value. The estimated number of transactions per year is 250 (500 per biennium). The estimated number of non-recoverable transactions per year is fifty. The accounting transactions for these expenditures and recovery of expenditures are being processed in Fund 609-6 (Medical Aid Account – Non-Appropriated)
- The department pays the court for a certified copy of an existing warrant. The estimated number of these transactions is fifty per year (100 per biennium).
- The department petitions the Superior Court for review of a Board of Industrial Insurance Appeals decision. The estimated number of these transactions per year is five (10 per biennium).

WISHA Program:

- The estimated number of petitions for review of decision is five per year.
- Billings from the courts received by the Attorney Generals Office (AG) while representing the department on WISHA cases are forwarded to the department and paid to the courts. The department estimates this cost will be approximately double of the current costs (net increase of \$11,000).

Crime Victims Program:

- The filing fee for a request for court ordered restitution is assessed to the offender. The estimated number of transactions is 100 per year. The estimated number of non-recoverable transactions per year is 25 (50 per biennium).
- The filing fee for debt over and above previously ordered restitution is assessed to the offender. The estimated number of transactions is 500 per year with the estimated number of non-recoverable transactions being 250 per year.

Specialty Compliance Program:

- The number of filing fees for initial court cases for Specialty Compliance is estimated at five per year.
- There is a single estimated transaction per year of a filing fee for an initial Employment Standards court case.
- There are an estimated seven transactions per year of filing fees for initial Prevailing Wage court cases.

Action	Current Fee	New Fee	Increase	Estimated # of Transactions per year	Expenditure per year	Revenue per year
Fraud Program						
Non-Recoverable portion of Contractor Bond Seizure	\$ 110	\$ 200	\$ 90	250	\$22,500	
Certified copy requests	2	5	3	50	150	
Petitions for review	110	200	90	5	450	
WISHA Program						
Petitions for review	110	200	90	5	450	
Billings from the courts	This is an estimate doubling current costs as fees approximately double				11,000	
Crime Victims Program						
Non-recoverable portion of request for Restitution	110	200	90	25		(2,250)
Non-recoverable portion of request for previously ordered Restitutions	110	200	90	250		(22,500)
Specialty Compliance Program						
Filing fees initial court cases - Contractor	110	200	90	3	270	
Filing fees initial court cases - Electrical	110	200	90	1	90	
Filing fees initial court cases - Pressure Vessel	110	200	90	1	90	
Filing fees initial court cases - Employment Standards	110	200	90	1	90	
Filing fees initial court cases - Prevailing Wage	110	200	90	7	630	
Total					\$35,720	(24,750)

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 5454 2S SB	Title: Court operations
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: See the Administrative Office of the Courts fiscal note for dollar impacts on revenue and expenses.
- ☒ Counties: See the Administrative Office of the Courts fiscal note for dollar impacts on revenue and expenses.
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: Cities may participate in the funding of elected municipal court judges salaries with specific restrictions and under certain conditions.
- ☐ Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					

Estimated expenditure impacts to:

Jurisdiction	FY 2006	FY 2007	2005-07	2007-09	2009-11
City					
County					
Special District					
TOTAL \$					
GRAND TOTAL \$					0

Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 509-649-2608	Date: 03/14/2005
Leg. Committee Contact:	Phone:	Date: 03/08/2005
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 03/14/2005
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 03/14/2005

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill assigns part of the financial responsibility for District and Municipal Court financing in the areas of elected judges to the state. These courts are currently fully funded by local government. Selected court filing fees are increased, eliminated or created. Funding of county or regional law libraries is increased through changes in filing fee apportionment. Trial Court Improvement Accounts are created at the county and city level and funded with part of the savings from the re-assignment of financial responsibility. Account funds are restricted to use for the improvement of District and Municipal Court staffing, programs, facilities or services.

BY SECTION:

Judges (Effective July 1, 2006) -- Section 101-102 would provide that judges who are elected and qualify for state payment of one-half of their salary under Chapters 3.46, 3.50, 3.58, or 35.20 RCW are eligible to participate in the judicial retirement account.

Section 103 and 105 would provide that the state pays one-half of the salary of each district court judge.

Section 106 and 108 would provide the salary of an elected municipal court judge shall be paid wholly by the city except when the city qualifies for state payment of one-half of the salary. The section lists the requirements for the state payment of one-half of the salary. One of the requirements is that compensation of judges must be between 95% and 100% of District Court Judge compensation. The city would be responsible for all other compensation, benefits, and expenses related to appointed and elected municipal court judges.

Trial Court Improvement Accounts -- Effective July 1, 2006, Sections 201 through 204 would establish trial court improvement accounts.

One-half of the savings from the state assumption of part of the elected municipal court judges' salaries and one-half of the savings from the state assumption of part of district court judges salaries would be deposited into the local trial court improvement account. The use of funds in the accounts is restricted to "...improvement to court's staffing, programs, facilities and services" as approved by the city or county legislative body depending on the type of court involved.

Court Filing Fee changes --

Section 301 would increase the filing fee for district court civil cases from \$31 to \$43. This section would add a new \$43 filing fee for filing a counterclaim, cross-claim, or third-party claim in district court. This section would also increase other miscellaneous fees for courts of limited jurisdiction.

Section 302 would add a new \$43 fee to be assessed upon conviction or guilty plea of a criminal case in the courts of limited jurisdiction. The fee would be subject to division with the state.

Section 305 would increase the criminal jury demand fee in the courts of limited jurisdiction from \$25 to \$125.

Section 306 would increase the small claims filing fee from \$10 to \$14. This section would add a new \$14 filing fee for filing a counterclaim, cross-claim, or third-party claim in a small claims action.

Section 307 would increase the optional courthouse facilitator surcharge from a maximum of \$10 to a maximum of \$20.

Section 309 would increase various superior court fees. This section would set the filing fee for an unlawful detainer answer at \$112.

These fees are distributed 54 percent to the counties and 46 percent to the state Public Safety and Education Account.

Section 310 would increase various superior court fees. This section also would add several new superior court fees. These fees are retained wholly by the county.

Section 311 would increase the superior court filing fee from \$110 to \$200 for civil, domestic relations, probate and adoption cases.

This section would increase the filing fee for unlawful harassment cases from \$41 to \$53. This section would increase the initial filing fee for unlawful detainer actions from \$30 to \$60. These fees are distributed to the county, local law library and the state Public Safety and Education Account.

Funding of Law Libraries -- Section 308 would increase the law library portion of the superior court filing fee from a minimum of \$12 to a minimum of \$17. The county legislative authority could increase the \$17 up to \$20 or \$30 in counties with multiple library sites. This section would also

increase the law library portion of the district court filing fee from \$6 to \$7.

Differences between the Substitute Bill and the 2nd Substitute:

Intent language is modified. All provisions related to juror fee increases and state payment of juror fees are removed. Provisions for the state to provide one-half of district court and elected municipal court salaries, and for local governments to establish trial court improvement accounts are delayed until July 1, 2006. Filing fee increases for unlawful detainer actions are increased from the current \$30 to \$60 rather than to \$80. For answered claims, filing fees are increased from \$80 to \$112 rather than to \$120. A provision is added stating that the revenue from some of the increased fees relieves the state of liability for prior payments of superior court judges benefits.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

See the Administrative Office of the Courts fiscal note for details of expenditure impacts. The one half payment of elected judges salaries by

the state would have a positive annual fiscal impact on participating jurisdictions -- Cities \$1,243,474; Counties \$5,663,477 beginning in July 2006. One half of the city impact would be deposited in city Trial Court Improvement Accounts restricted to use for improvements to courts. One half of the District Court municipal department savings and one half of the non-Municipal Department District Court savings would be deposited in a local government Trial Court Improvement Account and restricted to use for improvement of Superior, District or Municipal courts. City legislative bodies would appropriate funds from the Municipal Court and Municipal Department Trial Court Improvement Accounts while the County legislative body would appropriate funds from the District Court Trial Court Improvement Account. In FY 2000 Counties spent \$67.3M on District Courts and Cities \$55.9M on Municipal Courts (Report on Fiscal Year 2000 Trial Court Expenditures, October 2003, AOC). The re-allocation of some costs to the state has an overall impact of reducing annual county District Court costs by approximately 8.4% and city Municipal Court costs by approximately 2.2%.

PART I - ONE HALF PAYMENT OF ELECTED DISTRICT AND MUNICIPAL COURT JUDGE SALARY (Effective July 1, 2006)

According to the AOC fiscal note, there are currently 110 elected district court judges. These 110 judges are the equivalent of 95.62 full-time equivalents. The salary for district court judges is set by the Citizens' Commission on Salaries for Elected Officials. The current compensation for district court judges is \$118,458. The salary for a part-time district court judge is prorated based on the number of hours the judge works.

There are currently 24 elected municipal court judges. These 24 judges are the equivalent of 23.55 full-time equivalents. Additionally there are 81 part-time, appointed municipal court judges. These part-time judges are the equivalent of 22.6 full-time equivalents. The salary level for municipal court judges is currently set by the city and is generally below that of District Court judges in the state.. This bill provides that if elected municipal court judges are compensated at a rate equivalent to 95 to 100 percent of the salary set for full-time district court judges, one-half of the salary may be paid by the state.

According to the AOC fiscal note, for the district court judges, the impact for the state would be an increase of \$59,229 per full-time equivalent. The counties would continue to be responsible for payment of all benefits (except certain retirement benefits) for these judges. The counties would save \$5,663,477 in district court judges' salaries annually. The state would also incur responsibility for payment of one-half of elected municipal court judges. It is assumed that several cities that do not currently elect their municipal court judges would now elect their judges. For the purposes of the AOC fiscal note, it was assumed that every city that currently has a judge working at 0.75 full-time equivalent that is not elected would now elect the judge. It is also assumed that these jurisdictions would not increase the number of hours the judge works. Further, it is assumed that the 81 part-time, appointed judges would remain part-time appointed judges and the cities would continue to pay the salary for these judges. For the group of cities for which it is assumed would elect the judge, the cities would save \$1,243,474. If a larger number of cities decide to elect their judge, the impact for the state would be greater and the savings for the cities would be larger.

The savings to local governments are qualified by the requirements in the Trial Court Improvement Accounts section below. One half of the savings to cities from municipal courts (\$621,737) would be restricted to uses allowed under the Trial Court Improvement Account in their city. One half of the savings for Municipal Departments of District Courts (approximately 10.5 judges out of 110 District Court judges or $\$59,229 \times 10.5$ divided by 2 = \$310,950) and one half of the savings for the remaining District Court judges ($\$5,663,477$ minus $\$621,900 = \$5,041,577/2 = \$2,520,788$) would be restricted to uses allowed under the Trial Court Improvement Account.

PART II - TRIAL COURT IMPROVEMENT ACCOUNTS (Effective July 1, 2006)

Counties and cities would deposit one-half of the realized savings from the state payment of district and municipal court judges' salaries into trial court improvement accounts. The accounts may only be used to fund improvements in staffing, programs, facilities, or services in the superior, district, and municipal courts. For counties, the amount that would be deposited into the trial court improvement account from the savings in district court judges' salaries would be approximately \$3,683,000 annually. For cities, the amount that would be deposited into the trial court improvement account from the savings in municipal court judges' salaries would be \$621,737 annually. Appropriations from the Municipal Department and Municipal Court accounts are authorized by the City legislative authority and the County legislative authority authorizes appropriations from the District Court account.

STATE LIABILITY FOR SUPERIOR COURT JUDGE'S BENEFITS

Section 310 has a provision that would eliminate disputed state liability for prior years Superior Court judge benefits which is the subject of a pending lawsuit (Hearing date 3/15/05 Thurston County Superior Court). Fifteen counties from around the state have sued to recover past benefit payments for Superior Court judges as a result of prior lawsuit against the state which the Counties won. The counties are claiming up to \$4M in past benefits payments that should have been paid by the state. About half of the total is claimed by King County.

DIFFERENCES BETWEEN THIS BILL AND THE PREVIOUS SUBSTITUTE BILL

Intent language is modified. Provisions for the state to provide one-half of district court and elected municipal court salaries, and for local governments to establish trial court improvement accounts are delayed until July 1, 2006. A provision is added stating that the revenue from some of the increased fees relieves the state of liability for prior payments of superior court judges benefits (Section 310).

SOURCES:

Administrative Office of the Courts fiscal note
Attorney General's Office of the State of Washington

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

See the Administrative Office of the Courts fiscal note; revenue changes are not repeated here. The net impact of the fee increases included in this bill would be \$8,776,028 for counties (from this amount, \$794,687 would be dedicated to local law libraries), \$861,632 for cities, and \$6,938,856 for the state Public Safety and Education Account.

DIFFERENCES BETWEEN THIS BILL AND THE PREVIOUS SUBSTITUTE BILL

There are \$617,000 dollars less revenue from fee increases per year to counties as a result of changes in the fee rates; no change to the amount of revenue dedicated to local law libraries or cities and \$525,000 less for the state PSEA. The jury mileage and jury duty payment increase section that was removed from the bill was revenue neutral for counties.