

Department of Planning and Budget 2010 Fiscal Impact Statement

1. Bill Number: SB329S3

House of Origin ___ Introduced X Substitute ___ Engrossed
Second House ___ In Committee ___ Substitute ___ Enrolled

2. Patron: Stuart, R.

3. Committee: Senate Committee for Courts of Justice

4. Title: Increase In Civil Action Fee

5. Summary: This bill increases the filing fee for civil matters in general district court from \$27 to \$75 and for certain civil matters in circuit court.

6. Fiscal Impact Estimates: Preliminary (see Item 8)

7. Budget Amendment Necessary: Yes, Front page general fund revenue

8. Fiscal Implications: The potential fiscal impact of this legislation is uncertain given that the fee increase may impact the number of cases filed. The decision to litigate can be very price sensitive, so some number of cases which would otherwise have been filed might not be brought in the face of an increased filing fee.

This legislation would increase circuit court filing fees for “civil actions that include one or more claims for the award of monetary damages,” thus excluding divorce and actions not seeking an award of monetary damages (Va. Code § 17.1-275 (13) and (26)). Filing fees for civil actions are currently assessed at three levels: \$60 for cases filed for \$50,000 or less, \$110 for cases filed for \$50,000 to \$100,000 and \$160 for cases filed for more than \$100,000. This bill moves filing fees to two levels: \$500 for actions not exceeding \$1 million and \$1,000 for actions seeking more than \$1 million. The table below illustrates the proposed civil case circuit court fee level changes:

Cases	Old Fee	New Fee	Fee Increase
\$50,000 or less	\$60.00	\$500.00	\$440.00
\$50,000 to \$100,000	\$110.00	\$500.00	\$390.00
\$100,000 to \$999,000	\$160.00	\$500.00	\$340.00
\$1,000,000 and up	\$160.00	\$1,000.00	\$840.00

The increase in circuit court filing fees could affect 34,966 cases based on FY 2009 totals. The Supreme Court case management system does not track *ad damnum* amounts; therefore, there is no way to accurately know the percentage breakdown between the three existing filing fee categories and the two filing fee categories proposed by this bill. In reliance upon the experience of Supreme Court staff that work with and have practiced in circuit courts, it is believed a critical mass of civil cases filed fall within the \$50,000 to \$100,000 range, making the current filing fee

of \$110 a reasonable median by which to measure the increase in filing fees. Therefore, the estimate of increased revenue from circuit court filing fee uses \$390 (the differential between the current filing fee and the proposed filing fee for this set of cases) as the multiplier to arrive at the estimated fiscal impact of the proposed fee structure. Using this methodology yields an estimated increase in revenue for every 10,000 cases of \$3,900,000.

In FY 2009, there were 776,052 general district court civil cases. The current general district court filing fee is \$27. This legislation would increase the general district court fee from \$27 to \$75, an increase of \$48. The \$48 increase in filing fees proposed in this legislation could produce an increase in revenue of \$480,000 for every 10,000 cases.

9. Specific Agency or Political Subdivisions Affected: Courts

10. Technical Amendment Necessary: No

11. Other Comments: This bill contains language indicating the increased revenue provided for under §16.1-69.48:2 shall be allocated to the Compensation Board to fund sheriffs' offices and the increased revenue provided for under § 17.1-275 shall be allocated to the Compensation Board to fund sheriffs' offices (85 percent) and offices of the attorneys for the Commonwealth (15 percent).

Date: 2/16/2010

Document: G:\2010 FIS\SB329S3.Doc Reginald Thompson

cc: