

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1590ER

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron(s): Iaquinto and Loupassi

3. Committee: Passed Both Houses

4. Title: Increase civil jurisdictional limit of general district courts

5. Summary: Increases from \$15,000 to \$25,000 the maximum civil jurisdictional limit of general district courts.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Final (see Item 8)

8. Fiscal Implications: As a result of this bill, some civil actions now brought in circuit court will be brought in general district court. Neither the number of cases shifted from circuit court to general district court nor the number of new general district court cases can be estimated. Currently, there are approximately 4,600 civil cases brought annually in all the circuit courts with an *ad damnum* between \$15,000 and \$25,000. This number represents less than the average number of civil hearings conducted by one general district court judge in a year. Since any increase in the general district caseload would be spread statewide, it is expected that any additional impact to the caseload of the general district courts could be managed.

However, such a case brought in circuit court generates a base filing fee of \$100, while if that case were to be filed in general district court under an enacted House Bill 1590, it would generate a base filing fee of \$30. Therefore, if all the cases eligible to be brought in general district court under House Bill 1590 were to be brought in general district court, there would be \$322,000 less collected in filing fees.

The Supreme Court is unable to predict that *all* the cases eligible to be shifted from circuit court to general district court will be brought in general district court, but it is reasonable to expect that the vast majority will be. Even if 80 percent of the cases with an *ad damnum* between \$15,000 and \$25,000 now brought in circuit court are brought in general district court, then \$257,600 less will potentially be collected in filing fees (3,680 cases). It's important to note that some of those cases which will now be decided in general district court could be appealed, where they would incur the circuit court filing fee, in addition to the general district court filing fee. The rate of appeals from general district court to circuit court is small. If 10 percent of those new general district court cases are appealed, then the circuit court filing fees collected will help offset the potential fiscal impact by \$36,800.

Given the previous assumptions, the estimated net fiscal impact is a reduction in circuit court filing fees collected of \$220,800 (\$257,600 - \$36,800). The potential lost circuit court filing fees would be borne two-thirds by the Commonwealth (\$147,936) and one-third by the various localities (\$72,864). Of the potential lost fees to the Commonwealth, a sizeable percentage of this funding would be dedicated to special funds, established for specific purposes as outlined in §16.1-69.48:1 of the Code of Virginia. It is not possible to estimate the final impact to these various funds and to the general fund. Given the assumptions used above, although it cannot be estimated, the impact on the general fund is not expected to be significant.

9. Specific Agency or Political Subdivisions Affected: Courts

10. Technical Amendment Necessary: No

11. Other Comments: Same as SB774S1

Date: February 7, 2011

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