

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: SB1450

House of Origin	☒	Introduced	☐	Substitute	☐	Engrossed
Second House	☐	In Committee	☐	Substitute	☐	Enrolled

2. Patron: Locke

3. Committee: Senate Committee on General Laws and Technology

4. Title: Eviction Diversion Pilot Program

5. Summary: Establishes the Eviction Diversion Pilot Program (“Program”), consisting of specialized dockets within the existing structure of the general district courts for the cities of Danville, Hampton, Petersburg, and Richmond. The Program is established as a pilot program with a delayed effective date of July 1, 2020, and expires on July 1, 2023. The purpose of the Program is to encourage the development of consistent methods for resolving unlawful detainer actions and reduce the number of evictions of low-income persons. Parties to an unlawful detainer action in participating jurisdictions will be directed to participate in the Pilot Program upon certain findings by the court. Under the proposed legislation, the Executive Secretary of the Supreme Court of Virginia is required to submit data generated from the Program to the Virginia Housing Commission (“Commission”) for the evaluation of its effectiveness and potential benefits and costs. The bill tasks the Commission with making recommendations for legislative action to the General Assembly, the Chairs of the Senate Committees on Finance and Courts of Justice, and the Chairs of the House Committees on Appropriations, Finance, and Courts of Justice in time for the 2023 legislative session.

6. Budget Amendment Necessary: Yes, Item 38

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

8. Fiscal Implications: The bill creates and establishes a procedure for an eviction diversion program (“Program”) in four general district courts: Danville, Hampton, Petersburg and Richmond City. The goal of the program is to divert and decrease the number of evictions of low income persons in each locality.

The bill would require the collection of additional data which is not currently entered into the general district court clerk case management system (CMS). According to the Office of the Executive Secretary of the Supreme Court (OES), the selected clerk’s offices for the pilot programs are currently understaffed by a total of 7.4 positions. Factoring in the anticipated additional workload demands from this bill would likely necessitate additional resources.

As shown in the following table, during the 11- month period from January 2018 to November 2018, the four courts selected for the pilot program filed a total of 29,165 unlawful detainers (UD) cases. Notwithstanding the current understaffing in clerk's offices, OES believes each pilot program will need one additional deputy court clerk position dedicated to capturing the data required by the bill.

Court	Unlawful Detainers (January 2018 – November 2018)
Richmond	15,780
Hampton	8,086
Petersburg	3,891
Danville	1,408
Total	29,165

The bill has an effective date of July 1, 2020 so only partial funding would be needed in FY 2020. Using a 6 month start-up factor, it is estimated \$151,800 will be needed in FY20 (see table below)

Program Cost	FY2020	FY2021 and beyond
<i>Program Staff:</i> 4 clerks at \$55,000 each (for 6 months)	\$110,000	\$220,000
<i>Program Administration:</i> one court analyst position at \$83,600 each (for 6 months)	\$41,800	\$83,600
Total	\$151,800	\$303,600

The court analyst position would provide OES with oversight for the pilot programs to include (i) oversight for the distribution of state funds appropriated for eviction diversion programs in general district courts; (ii) technical assistance; (iii) training for judges who preside over general district courts participating in the Program; (iv) training to the providers, case management, and other services to courts participating in the Program. Additionally, the bill requires OES to create the necessary forms for courts to use and to provide data to the Virginia Housing Commission upon request.

As an alternative, the OES considered reprogramming its current CMS system. However, since the pilot program involves only one distinct case type and is limited to four courts, the necessary system modifications would be cost prohibitive.

9. Specific Agency or Political Subdivisions Affected: Courts, district court clerks, and Virginia Housing Commission

10. Technical Amendment Necessary: No

11. Other Comments: None