

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 1796 (= SB 1478)

SHORT TITLE: Convenience Fee for Court System

SPONSOR(S): Rep. Culpepper

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2000-01</u>	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>
REVENUES	\$2,202,162	\$2,290,254	\$2,290,254	\$2,290,254	\$2,290,254
EXPENDITURES					
POSITIONS:					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	Administrative Office of the Courts				
EFFECTIVE DATE:	July 15, 2000				

BILL SUMMARY: Amends GS 7A-109(d) to provide that each third-party contractor shall be charged a one-time setup fee to cover the actual cost of installing and terminating telephone lines and equipment and other setup costs. Provides that contractor also is charged an access of 25 cents for each time a person remotely accessing court records presses a key that displays information on the person's viewing screen.

ASSUMPTIONS AND METHODOLOGY:

GS 7A-109(d) allows the Administrative Office of the Courts to charge reasonable cost recovery for contracts allowing third parties to provide remote access to court records. They currently charge a set-up fee and 10 cents/transaction. The first 18 contracts were implemented in December and they have billed over \$636,000 to date. This bill would set a fee of 25 cents/transaction and clarifies there is also a set-up charge (currently \$750) based on actual costs.

It is difficult to project future collections because this is a new activity with only a short history. The AOC believes remote access will still be profitable for the current vendors, even at the 25-cent rate. However, there could be reduced activity in the future due to the higher costs and other factors. Average billings in 2000 have been \$127,236/month. **Based on this history, the fee of 25 cents should yield \$3.817 Million per year, an increase of \$2.29 Million over collections at the current charge.** The onetime set-up charge is not expected to yield significant revenue. First year costs are lower because of the effective date.

FULL YEAR PROJECTIONS

Projected Current Collections:	\$1,526,832
Projected Collections @ 25cents:	\$3,817,080
Difference	\$2,290,248

These funds go to the Court Information Technology Fund authorized in 7A-343.2. The Administrative Office of the Courts (AOC) can use these funds for information technology needs. Under current law, the AOC reports each March 1 on collections the prior year and their proposed expenditure of the funds. The AOC reported in March 2000 to Governmental Operations and have used the 1999-2000 proceeds to establish 5 receipt-supported positions in their Court Information and Information Services Division.

TECHNICAL CONSIDERATIONS: None

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