

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6660
BILL NUMBER: HB 1141

NOTE PREPARED: Apr 5, 2005
BILL AMENDED: Apr 4, 2005

SUBJECT: Courts.

FIRST AUTHOR: Rep. Brown T
FIRST SPONSOR: Sen. Harrison

BILL STATUS: 2nd Reading - 2nd House

FUNDS AFFECTED: GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

STATE IMPACT	FY 2005	FY 2006	FY 2007
State Revenues			
State Expenditures		370,806	811,080
Net Increase (Decrease)		(370,806)	(811,080)

Summary of Legislation: (Amended) This bill has the following provisions:

- A. It creates one new superior court in Dearborn County, DeKalb County, Hamilton County, Howard County, and Montgomery County and creates two new superior courts in Hendricks County.
- B. It adds an eighth judge to the Monroe circuit court on January 1, 2006, and a ninth judge to the Monroe circuit court on January 1, 2008.
- C. It provides that the new superior courts in Dearborn County, DeKalb County, and Montgomery County are created on January 1, 2006, the new superior court in Howard County is created on January 6, 2006, and the new courts in Hendricks County and Hamilton County are created on January 1, 2007.
- D. It allows the existing superior courts in Hendricks County to appoint a magistrate to serve until January 1, 2007.
- E. It abolishes the DeKalb County small claims referee and the Montgomery County Court and makes the superior courts in Howard County standard superior courts.

(The introduced version of this bill was prepared by the Commission on Courts.)

Effective Date: July 1, 2005.

Explanation of State Expenditures: The full costs of this bill would not be reached until FY 2009, outside of the next biennium, because of the effective dates for creating these courts. The following table shows the increase in expenditures over the next four fiscal years.

<u>County</u>	<u>Court/ Magistrate</u>	<u>Effective Date</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>
Dearborn	One Court	Jan 1, 2006	\$70,353	\$140,706	\$140,706	\$140,706
DeKalb	One Court	Jan 1, 2006	\$65,353	\$130,706	\$130,706	\$130,706
Hamilton	One Court	Jan 1, 2007		\$70,353	\$140,706	\$140,706
Hendricks	Two Courts	Jan 1, 2007		\$140,706	\$281,412	\$281,412
Hendricks	One Magistrate	Jul 1, 2005	\$94,394	\$47,197		
Howard	One Court	Jan 6, 2006	\$70,353	\$140,706	\$140,706	\$140,706
Monroe	Two Courts	Jan 1, 2006	<u>\$70,353</u>	<u>\$140,706</u>	<u>\$211,059</u>	<u>\$281,412</u>
Added Expenditures			<u>\$370,806</u>	<u>\$811,080</u>	<u>\$1,045,295</u>	<u>\$1,115,648</u>

The estimated costs for a 12-month period are listed in the following table.

<u>Cost Component</u>	<u>Source of Computation</u>	<u>Judge</u>	<u>Magistrate</u>
Salary	Specified in statute	\$90,000	\$72,000
Life Insurance	0.36% of Salary	\$324	\$259
Health, Dental, and Vision	Blended rate (estimated by the State Budget Agency)	\$8,291	\$8,291
Social Security	7.65% of salary	\$6,885	\$5,508
Disability Insurance	2.28% of salary (estimated by State Budget Agency)	\$2,052	\$1,642
Judges Retirement Fund	35% of Salary	\$31,500	
PERF	7% of salary		\$5,040
Leave Conversion	Estimated by State Budget Agency	\$654	\$654
Judicial Center	Includes materials & postage, but not possible staffing	<u>\$1,000</u>	<u>\$1,000</u>
Total Cost for New Court:		<u>\$140,706</u>	<u>\$94,394</u>

[Note 1: The expenditures for FY 2006 listed in the STATE IMPACT table, above, reflect approximately 6 months of expenditures because the starting date of these new courts begin in the middle of either FY 2006 or FY 2007.]

[Note 2: Converting the Montgomery County Court to the Montgomery Superior Court would not increase the costs to the state general fund because the salaries for judges in county and superior courts are the same.]

Explanation of State Revenues:

Explanation of Local Expenditures: These counties may need to hire additional support staff and find space for the new courts.

By eliminating the small claims referee position, DeKalb County will save \$10,000 per year.

Explanation of Local Revenues:

State Agencies Affected: Indiana Judicial Center, Division of State Court Administration.

Local Agencies Affected: Dearborn, DeKalb, Hamilton, Hendrix, Howard, and Montgomery Counties.

Information Sources: State Budget Agency.

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