

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: HB 668 (Third Edition)

SHORT TITLE: Settlement Procedures in District Court Action

SPONSOR(S): Rep. Baddour

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2001-02</u>	<u>FY 2002-03</u>	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>
REVENUES	\$11,070	\$14,760	\$14,908	\$15,057	\$15,207
EXPENDITURES		-none-			
POSITIONS:		-none-			
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Judicial Branch					
EFFECTIVE DATE: The Supreme Court may adopt rules effective July 1, 2001. Remainder of the bill is effective October 1, 2001.					

BILL SUMMARY: House Bill 668 repeals a pilot program and makes permanent the authorization for chief district court judges to order a mediated settlement conference or other settlement procedure for any pending action involving certain domestic law issues. The pilot currently operates in 8 districts but HB 668 would extend it statewide. Section 1 allows the Administrative Office of the Courts (AOC) to charge a fee not to exceed \$200.00 annually to certify mediators and mediator training programs and to use fees to offset operation costs of the Dispute Resolution Commission that oversees this program. The costs of the mediation itself are born by the parties. The 3rd edition had some minor technical changes from the 2nd edition that did not affect the fiscal impact.

ASSUMPTIONS AND METHODOLOGY: Section 1 of the bill authorizes the Dispute Resolution Commission (DRC) to set an annual fee for certification of mediators. Since the pilot program began, individuals have had the option of certification without a fee. Currently there are 123 certified mediators under this program.

We cannot exactly project the revenue from this fee because there are 3 factors involved. (1) The Dispute Resolution Commission expects the numbers will grow as the program is expanded from 8 districts to statewide; (2) there may be some attrition once a fee is imposed but the growth from additional districts should outweigh that effect; and (3) the DRC is considering allowing mediators who are already certified under the Superior Court Mediated Settlement Conference to pay a lesser fee, decreasing the net impact of this new fee. Because of these three factors it is not possible to project how many new mediators will seek certification and the revenue figures above are based on a conservative projection of 1% growth after the first full year.

The fee has already been set by the Commission at \$120, the same fee charged for mediators seeking certification under the Superior Ct Mediated Settlement Conference, also administered by the DRC. The Commission would expect to start billing for 01-02 in October 2001 for a 75% share of the annual fee. In subsequent years they would bill in the spring for full year payments to be received by the start of the next fiscal year.

The District Ct Mediated Settlement (Family Financial) program already has recurring funding of \$45,893, covering the cost of a half-time administrative position. Under Section 1, receipts from this fee are to be used in the program. The Commission does not anticipate receipts fully funding their costs but any budgeted receipts would result in a reduced General Fund appropriation and unbudgeted receipts would revert to the General Fund. Either way there is a direct positive impact on the General Fund, as reflected above.

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Elisa Wolper

APPROVED BY: James D. Johnson

DATE: July 17, 2001



Signed Copy Located in the NCGA Principal Clerk's Offices