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NEVADA ASSOCIATION OF COUNTIES

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**TESTIMONY OF THE NEVADA ASSOCIATION OF COUNTIES
BEFORE THE SENATE COMMITTEE ON JUDICIARY
ON SB 162
FEBRUARY 25, 2003**

Introduction. Senate Bill 162 addresses a necessary increase in fees that are collected by county and court clerks for filing certain documents and providing certain functions to the citizens of Nevada.

Issue: The issue before you today is one of compensation to county governments to give them the ability to maintain a vital service for residents of Nevada within the framework of a uniform fee structure. The fee increases proposed in SB 162 are modest in amount and necessary to maintain the high quality of services provided by county governments.

Justification. Many counties in Nevada have declining fiscal health indicators, as measured by data collected from the Nevada Department of Taxation. Nine counties are within \$0.15 of the \$3.64 mandated ad valorem tax cap. Sixteen counties have declining or flat taxable sales. Nine counties have declining total assessed values and thus a decreased ability to generate property tax revenue. While the ability to generate tax revenue diminishes and county revenues decline, the cost of administering the county's court system continues to increase, as measured by the total percentage of general fund expenditures that are dedicated to judicial functions. In FY-02, judicial costs averaged 16% of general fund expenditures in county budgets. This is up from FY-96 when the average was 13.2%. The fee increases set forth in SB 162 are intended to offset the increased cost of administering the judicial system in Nevada. In addition, the bill will provide funds for much needed technology upgrades in the county clerk's office. Finally, a fully funded arbitration system is beneficial to the court system as a whole as cases can be processed and adjudicated more quickly and efficiently, thus benefiting an already overburdened district court system.

Historical Background: The push to increase fees collected by county officials began 10 years ago in the 1993 session. At that time, the Nevada Association of Counties (NACO) commissioned a comprehensive study of statutorily set fees that resulted in the introduction of AB 592. The results of AB 592 were mixed: approximately one half of the requested fee increases were either deleted or reduced by more than half of the amount requested. A request to index fees was also rejected. In the 2001 session, NACO introduced AB 94 to complete the unfinished business of eight years prior. In its final form, AB 94 increased fees collected by county recorders and law enforcement officials and created a technology fund for

use in recorders' offices. It also increased marriage license fees and set aside additional funding for victims of domestic violence. However, several fees were amended out of the original version of AB 94 before passage. The fees amended from AB 94 of the 2001 session are the fees that you see in SB 162 before you today.

Senate Bill 162. Senate Bill 162 has four important components.

- **Section 2.1** of the bill raises eight standard fees listed in NRS 19.013. Most of these fees, intended to offset the increased cost of administering the judicial system in Nevada, have not been increased since AB 592 of the 1993 session. These eight fees include the fee paid when an action is commenced, which would be raised from \$56 to \$65, and the fee paid by the defendant answering a complaint, which would be raised from \$44 to \$52. NACO estimates that these fee increases would generate \$555,840 in FY-04, an increase of 11% over FY-02.
- **Section 2.2** and **Section 1** would create a fund for technology purchases and upgrades in the offices of the County Clerks. This would be accomplished through an additional \$5 fee collected for filing and recording a bond of a notary public. NACO estimates that this additional fee would generate \$37,828 for county clerk technology funds in FY-04.
- **Section 3** would raise the fee in NRS 13.0315 used to fund programs of arbitration established pursuant to NRS 38.250. This fee is upon the commencement or answer of an action and is in addition to the fees listed in NRS 19.013. This fee would increase from \$5 to \$10. NACO estimates that this will generate an additional \$289,615 in FY-04 for arbitration programs throughout the state.
- **Section 4** states that the bill would become effective at the beginning of the next fiscal year on July 1, 2003.

Cumulative Impacts of SB 162. The current total filing fee paid to county clerks varies from county to county depending upon which elements of the NRS fee structure counties have chosen to implement. The following counties are representative of how SB 162 will impact filing fees and civil answer fees in Nevada:

- **Clark County.** The current fee paid upon filing a civil complaint in Clark County is \$133. This fee would increase \$14 to \$147. The fee charged upon the appearance of a defendant would increase \$13, from \$86 to \$99.
- **Carson City.** The current fee paid upon filing a civil complaint in Carson City is \$146. This fee would increase \$14 to \$160. The fee charged upon filing a civil answer would increase \$13, from \$99 to \$112.
- **Pershing County.** The current fee paid upon filing a complaint in Pershing County is \$116. This fee would increase \$9 to \$125. The fee charged upon filing a civil answer would also increase \$9, from \$69 to \$78.

Action Requested. Passage of SB 162 is of the highest priority to the Nevada Association of Counties and our membership. We respectfully request that we be afforded the ability to recover the cost of county provided services and urge your favorable support and prompt passage of SB 162.