

## **BILL ANALYSIS**

Senate Research Center

S.B. 2214  
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Jurisprudence  
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As Filed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Funding for civil legal aid in Texas, which depends primarily on interest on lawyers' trust accounts (IOLTAs), is facing a crisis not seen in the past 20 years due to expected funding cuts resulting from dramatically reduced interest rates. On December 16, 2008, the Federal Reserve lowered its benchmark interest rate to an all-time low of zero to .25 percent. Conservative estimates for the amount of IOLTA funds in 2009 are less than \$1.5 million, down from \$20 million in 2008.

Because interest rates are so low, little or no interest will accumulate, which means that the Texas Access to Justice Foundation and the 42 nonprofit programs it funds will be drastically cut or eliminated. Without IOLTA funds, core services for free legal advice and representation to low-income Texans with civil legal programs—such as landlord-tenant issues, foreclosure defense, family law matters, health and employment law, access to public benefits, and consumer issues—are in jeopardy. Alternate sources of funding must be found immediately to try to keep legal aid providers afloat. As the economy spirals downward and the number of persons who need legal services increases, the preservation of legal aid in Texas is more important than ever.

Basic civil legal services (BCLS) funds have historically supplemented IOLTA funds, allowing providers of civil legal aid to offer core legal services to more low-income Texans.

As proposed, S.B. 2214 requires that a certain fee be collected on foreclosure filings to supplement the BCLS fund of the supreme court.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 118.011, Local Government Code, by adding Subsection (h), as follows:

(h) Requires a county clerk to collect \$150 for the filing of the first page of a notice filed pursuant to Section 51.002(b)(2) (related to a notice of a sale of real property under contract lien), Property Code. Requires the county clerk to keep a separate record of the money collected under this subsection and remit the funds to the county treasurer not later than the deadline specified by Section 113.022 (Time for Making Deposits). Requires the county treasurer to send the money received under this subsection to the comptroller of public accounts (comptroller) not later than the last day of the month following each quarter. Requires the comptroller to deposit the money received to the basic civil legal services fund of the supreme court.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2009.