

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

FISCAL NOTE, 2017 LEGISLATIVE SESSION

FISCAL NOTE 2017-HB1053A

HB 1053 revise certain provisions concerning the attorney recruitment assistance program.

The Rural Attorney Recruitment Program was established in 2013, with the passage of HB 1096. Pursuant to Chapter 16-23, a county is eligible to participate in the program if the population of the county is 10,000 or less and agrees to pay the county's portion of the incentive payment. Attorneys participating in the program receive five annual incentive payments, each in an amount equal to 90% of the cost of resident tuition and fees at the University of South Dakota School of Law as determined on July 1, 2013. This amounts to \$12,513.60 per incentive payment per year, equaling a total benefit of \$62,568 for each attorney. Counties are obligated to pay 35% of incentive payments, while the State Bar of South Dakota pays 15% and the Unified Judicial System (UJS) pays 50% of incentive payments. With the passage of HB 1096 in 2013, no more than 16 attorneys were allowed to participate in the program and a one-time appropriation of \$475,000 in general funds was made to the UJS to cover its portion of incentive payments.

In 2015, the Legislature enacted SB 178, which expanded the program to 32 attorneys and provided the UJS with a one-time appropriation of \$500,000 in other fund expenditure authority to be paid from the Court Automation Fund for the purpose of covering the incentive payments for the additional 16 attorneys. Additionally, SB 178 created a deadline that no attorney can be added to the program after July 1, 2022.

The UJS made payments to 1 attorney in FY2015, 5 attorneys in FY2016, and 7 attorneys so far in FY2017, with 2 additional attorneys to be paid before the end of the fiscal year. However, due to the structure of the program, additional attorneys are on contract that have yet to be paid an incentive payment. Currently, 17 attorneys are contracted to participate in the program. At the end of FY2017, any remaining funds from the general fund appropriation in 2013 will revert to the general fund, and the UJS will continue to cover its 50% portion of incentive payments from the Court Automation Fund appropriation in 2015.

HB 1053 expands the program to include municipalities that have populations of 3,500 or less and agree to pay 35% of the incentive payments for attorneys. The incentive payment remains at \$12,513.60 per year per attorney, and the total number of attorneys allowed to participate in the program also remains unchanged at a total of 32. The portion of the incentive payments covered by the county or municipality, State Bar, and UJS also does not change under HB 1053. Because HB 1053 expands eligibility without changing the amount of incentive payments or the number of attorneys that can participate in the program, it is the opinion of the LRC that HB 1053 will have no fiscal impact on the expenditures of the state over the life of this program.

APPROVED BY: /s/ Jason Hancock DATE: 2/27/2017