

STATE OF TEXAS

RESOLUTION

of the

TEXAS JUDICIAL COUNCIL

**Maintain Funding for Civil Legal Services for the Poor**

WHEREAS, the Texas Judicial Council is the policymaking body for the Texas Judicial Branch, created under Chapter 71, Texas Government Code; and

WHEREAS, the Texas Judicial Council has reviewed the proposal related to maintaining funding for civil legal services for the poor;

NOW THEREFORE, BE IT RESOLVED, that the Texas Judicial Council supports, and recommends that the Texas Legislature enact statutory changes in keeping with the following statement of the Background and Purpose of such legislation:


Background

Funds generated from Interest on Lawyers' Trust Accounts (IOLTA) are a primary source of civil legal aid funding in Texas. Due to lower interest rates because of the economic downturn, IOLTA revenues plummeted from \$20 million in 2007 to about \$5.5 million in 2009. IOLTA revenues remained flat in 2010. A legislative appropriation in the last legislative session to make up for this funding shortfall allowed legal services organizations to continue to provide services.

Legal aid organizations helped more than 100,000 low-income Texas families in 2009. Without continued funding, it can be expected that legal services attorneys will be laid off and thousands of low-income Texans will be left without needed legal representation. Steps should be taken to provide continued funding for basic civil legal services in light of the current environment in which IOLTA revenues have fallen so significantly.

Purpose

A legislative appropriation to make up for the funding shortfall of approximately \$15 million during the upcoming biennium would be ideal. In the alternative, funding for civil legal services for the poor should come from a combination of: (1) a new document recording fee on all non-judicial filings (except for motor vehicle filings and other filings for which counties do not collect fees); (2) a new court cost assessed on all convictions for Class C misdemeanors other than parking and pedestrian offenses; (3) an increase in the filing fee currently assessed in district court cases to support basic civil legal services for indigents (*see* Texas Loc. Gov't Code § 133.152); (4) payments of restitution under a court order arising from a violation of consumer protection, public health, or general welfare law; and (5) a fee paid by creditors in the mortgage foreclosure process. The amounts of these fees should be sufficient to generate \$15 million per biennium to make up for the lost revenue from IOLTA funding.

  
Honorable Wallace B. Jefferson  
Chief Justice, Supreme Court of Texas  
Chairman, Texas Judicial Council