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FISCAL NOTE

Drafting Number: LLS 18-0616 Date: February 9, 2018
Prime Sponsors: Sen. Jahn Bill Status: Senate Judiciary
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Bill Topic: CIVIL JURISDICTION OF COUNTY COURTS AND FILING FEES

- Summary of Fiscal Impact:
- State Revenue (checked)
- State Expenditure (minimal) (checked)
- State Transfer (unchecked)
- TABOR Refund (unchecked)
- Local Government (checked)
- Statutory Public Entity (unchecked)

This bill increases the claim amount for when a case may be filed in county court from \$15,000 to \$35,000 and increases county and district court filing fees. This bill increases state revenue and decreases state workload. Denver County revenue, costs, and workload are also increased. These impacts continue in future years.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-056

Table with 4 columns: Category, Cash Funds, FY 2018-19, FY 2019-20. Rows include Revenue (\$236,598 vs \$473,195), Expenditures (-), and Transfers (-).

Summary of Legislation

Under current law, county courts and district courts have concurrent jurisdiction in civil cases where the claim is \$15,000 or less, which means a claimant may file the case in either county or district court. This bill increases the concurrent jurisdiction amount to \$35,000 or less. It also increases the county court filing fee from \$97 to \$107 and the district court filing fee from \$224 to \$230.

Background and Assumptions

In FY 2015-16 there were 30,969 district court civil filings. The court issued a judgment in 5,503 of these cases with 2,125 judgments between \$15,000 and \$35,000 (38.6 percent).

Based on district court filings and the percentage of judgments between \$15,000 and \$35,000 the following assumptions are made for this analysis:

- 11,954 district court case filings will be eligible to be filed in county court under this bill (30,969 filings X 38.6 percent);
- all Denver cases, 1,843, will be filed in Denver County Court, which is not part of the state court system; and
- of the remaining 10,111 district court filings, 50 percent or 5,056 will be filed in county court, with the rest remaining in district court.

Overall, district court filings are expected to decrease by 6,899 (5,056 county court filings, 1,843 Denver County Court filings). State County Court filings will increase by 5,056 and Denver County Court filings will increase by 1,843.

State Revenue

This bill increases state cash fund revenue from civil filing fees by \$236,598 in FY 2018-19 and \$473,195 in FY 2019-20 and beyond. FY 2018-19 revenue is prorated to reflect the bill's January 1, 2019, effective date.

Fee impact on civil filing fees. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 2 estimates the fee impact of this bill for the filing fee increase and the change in the number of district and county court filings.

**Table 2
Civil Filing Fee Impact**

Fiscal Year	Type of Fee	Current Fee	Proposed Fee	Change in Case Filings	Total Fee Impact*
FY 2018-19	District Court Filing Fee	\$224	\$230	(3,450)	(\$670,163)
	County Court Filing Fee	\$97	\$107	2,528	\$906,761
FY 2018-19 Total					\$236,598
FY 2019-20	District Court Filing Fee	\$224	\$230	(6,899)	(\$1,340,326)
	County Court Filing Fee	\$97	\$107	5,056	1,813,521
FY 2019-20 Total					\$473,195

* This analysis assumes the historical 94.2 percent collection rate, total potential revenue is \$251,087 in FY 2018-19 and \$502,174 in FY 2019-20 and beyond, if 100 percent of filing fees are collected.

TABOR Refund

The bill increases state cash fund revenue from filing fees subject to TABOR by \$236,598 in FY 2018-19 and \$473,195 in FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in either year and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be increased.

State Expenditures

Beginning in FY 2018-19, this bill reduces trial court workload. It is estimated that district court workload will decrease by 6,899 cases, while county court workload will increase by 5,056 civil cases on an ongoing basis. The net impact is a decrease of 1,843 cases which will no longer be tried in the state court system and will instead be tried in Denver County Court. Using the county court caseload standard of 4,994 cases per year, this amounts to a 0.2 FTE reduction in FY 2018-19 and a 0.4 FTE reduction in FY 2019-20 and beyond. FY 2018-19 is prorated to reflect the January 1, 2019, effective date. This workload reduction is below the 0.5 FTE threshold used by the Judicial Department for requesting state appropriation adjustments; therefore, this impact does not require a reduction in appropriations.

The shift of 5,056 cases from state district courts to state county courts is not expected to impact staffing levels, because it is assumed that the cases moving are basic civil disputes that are reflective of existing county court workload standards and would take the same amount of time to try regardless of the court in which they are filed in. Should the number of cases shifting from district to county court differ or require less time than anticipated, the Judicial Department will request appropriation adjustments through the annual budget process.

Local Government

Denver County Court, administered and funded by the City and County of Denver, has separate statutory authority and is not part of the state court system. It is assumed that all 1,843 state Denver District court cases will now be processed in Denver County Court. This increases City and County of Denver revenue, costs, and workload. For informational purposes, assuming a \$107 filing fee, this will increase Denver County Court filing revenue by \$197,207 per year on an ongoing basis. Using the state county court caseload standard of 4,994 cases per year, it is estimated that Denver County Court will require 0.4 FTE on an ongoing basis to handle this additional caseload. Additional personnel, operating, and capital costs may be incurred and have not been estimated. For FY 2018-19, these impacts are reduced in half after prorated by six months.

Effective Date

The bill takes effect January 1, 2019, and applies to civil actions filed on or after this effective date.

Departmental Difference

Using FY 2016-17 actual court and district court total revenue collections (\$18,861,929) compared with projected revenue from this bill (\$18,895,733) which factors in the increased county and district case filing fee, case filing trends, and the projected shift in county and district court cases, the Judicial Department estimates this bill will increase state cash fund revenue from filing fees by \$16,902 in FY2018-19 and \$33,803 in FY 2019-20 and beyond. This analysis compared projected case filings under current law and this bill to estimate the change in revenue compared to current law and not compared to actual prior year collections.

State and Local Government Contacts

Judicial Information Technology