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Nonpartisan Services for Colorado's Legislature

REVISED FISCAL NOTE

(replaces fiscal note dated February 9, 2018)

Drafting Number: LLS 18-0616
Prime Sponsors: Sen. Jahn

Date: March 8, 2018
Bill Status: Senate Finance
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Bill Topic: CIVIL JURISDICTION OF COUNTY COURTS AND FILING FEES

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

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

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This revised fiscal note reflects the introduced bill, as amended by the Senate Judiciary Committee, and to account for new information.

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, 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. For claims over \$15,000, the amount claimed includes all damages available under current law and attorney fees, but does not include interest or other court fees. For claims under \$15,000, the amount claimed does not include attorney fees.

This bill also changes civil court and district court filing fees as shown in Table 2 and makes changes regarding the distribution of filing fees to Judicial Department cash funds as specified in the bill.

Table 2
Filing Fee Impact Changes under SB 18-056

Type of Fee	Claim Amount	Current Filing Fee	Proposed Filing Fee
County court - plaintiff, petitioner, third-party plaintiff, or party filing a cross or counter claim	less than \$1,000	\$97	\$85
	\$1,000 up to \$15,000	\$97	\$105
	\$15,000 up to \$35,000	\$97	\$140
County court - defendant, respondent, third-party defendant, other party that is not filing a cross or counter claim	less than \$1,000	\$97	\$80
	\$1,000 up to \$15,000	\$97	\$100
	\$15,000 up to \$35,000	\$97	\$135
District court	over \$35,000	\$224	\$249

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 decreases state cash fund revenue from civil filing fees by \$123,388 in FY 2018-19 and \$246,776 in FY 2019-20 and beyond. FY 2018-19 revenue is prorated by six months to reflect the bill's January 1, 2019, effective date. These estimated impacts are discussed below and are summarized in Table 3, with more detailed information provided in Tables 4 or 5. Actual revenue collected will depend on the number of civil filings, type of court in which the civil filing occurs, indigency status of filers, and collection rates.

**Table 3
Civil Filing Fee Impact Summary**

Fiscal Year	Type of Fee	Total Fee Impact
FY 2018-19	Civil claim filing fee revenue	\$17,682
	Civil claim response and cross/counter claim fee revenue	(\$141,070)
FY 2018-19 Total		(\$123,388)
FY 2019-20	Civil claim filing fee revenue	\$35,364
	Civil claim response and cross/counter claim fee revenue	(\$282,140)
FY 2019-20 Total		(\$246,776)

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 4 estimates the impact of this bill for the change in filing fees and the projected change in the number of district and county court filings.

Table 4
Full Year Civil Filing Fee Impact under SB 18-056

Type of Filing Fee	Claim Amount	Filing Fee	Case Filings	Filing Fee Revenue
Civil case filings and revenue under current law				
	less than \$1,000	\$97	35,910	\$3,483,270
County Court claim	\$1,000 up to \$15,000	\$97	97,570	\$9,464,290
	\$15,000 up to \$35,000	\$97	4,880	\$473,360
District Court claim	over \$35,000	\$224	27,390	\$6,135,360
Current subtotal			165,750	\$19,556,280
Estimated civil case filings and revenue under SB 18-056				
	less than \$1,000	\$85	37,220	\$3,163,700
County Court claim	\$1,000 up to \$15,000	\$105	101,140	\$10,619,700
	\$15,000 up to \$35,000	\$140	5,060	\$708,400
District Court claim	over \$35,000	\$249	20,490	\$5,102,010
Estimated subtotal			163,910	\$19,593,810
Difference			(1,840)	\$37,530
Difference (94.2 percent collection rate)			(1,840)	\$35,364

* This analysis assumes the historical 94.2 percent collection rate, total potential revenue is \$18,750 in FY 2018-19 and \$37,530 in FY 2019-20 and beyond, if 100 percent of filing fees are collected.

Fee impact on civil response and cross/counter claim fees. Under current law, fees are charged for responding to a claim (\$92 county court/\$158 district court) and for filing a cross or counter claim (\$97 county court/\$376 district court). Table 5 estimates the fee impact of this bill for the change in response and cross/counter claim filing fees and the change in the number of district and county court filings based on 2017 cases with at least one filed response.

Table 5
Full Year Additional Filing Fee Impact under SB 18-056

Type of Fee	Claim Amount	Filing Fee	Case Filings	Fee Revenue
Additional filings and fee revenue under current law				
County court response	less than \$1,000	\$92	770	\$70,840
	\$1,000 up to \$15,000	\$92	4,000	\$368,000
	\$15,000 up to \$35,000	\$92	410	\$37,720
County court cross/counter claim	less than \$1,000	\$96*	340	\$32,640
	\$1,000 up to \$15,000	\$96*	960	\$92,160
	\$15,000 up to \$35,000	\$96*	90	\$8,640
District court response	over \$35,000	\$158	5,550	\$876,900
District court cross/counter claim	over \$35,000	\$376	960	\$360,960
Current subtotal			13,080	\$1,847,860
Additional filings and fee revenue under current law				
County court response	less than \$1,000	\$80	730	\$58,400
	\$1,000 up to \$15,000	\$100	3,790	\$379,000
	\$15,000 up to \$35,000	\$135	390	\$52,650
County court cross/counter claim	less than \$1,000	\$85	360	\$30,600
	\$1,000 up to \$15,000	\$105	1,010	\$106,050
	\$15,000 up to \$35,000	\$140	90	\$12,600
District court response	over \$35,000	\$158	4,150	\$655,700
District court cross/counter claim	over \$35,000	\$376	720	\$270,720
Estimated subtotal			11,240	\$1,565,720
Difference			(1,840)	(\$282,140)

* \$1 of the \$97 civil filing fee is applied to the state General Fund, but can only be done once; therefore, subsequent filings are charged \$96.

TABOR Refund

The bill increases state cash fund revenue from filing fees subject to TABOR by \$123,388 in FY 2018-19 and \$246,776 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, this will increase Denver County Court filing fee revenue by between \$156,655 (\$80 filing fee) and \$258,020 (\$140 filing fee) 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.

State and Local Government Contacts

Information Technology Judicial