

SF199 - 0 - Fees; Uncertified Copies, Court Proceedings Change

Chief Author: **Ron Latz**
 Committee: **Judiciary And Public Safety**
 Date Completed: **1/24/2023 3:31:58 PM**
 Agency: **Supreme Court**

| State Fiscal Impact | Yes | No |
|---------------------------|-----|----|
| Expenditures | | X |
| Fee/Departmental Earnings | X | |
| Tax Revenue | | X |
| Information Technology | | X |
| | | |
| Local Fiscal Impact | | X |

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

| State Cost (Savings) | Biennium | | | Biennium | | |
|-----------------------|----------------------|------------|------------|------------|------------|------------|
| | Dollars in Thousands | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | 250 | 272 | 272 | 272 | 272 |
| Total | - | 250 | 272 | 272 | 272 | 272 |
| Biennial Total | | | 522 | | | 544 |

| Full Time Equivalent Positions (FTE) | Biennium | | | Biennium | |
|--------------------------------------|----------|--------|--------|----------|--------|
| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | - | - | - | - |
| Total | - | - | - | - | - |

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

This fiscal note has been reviewed and meets the LBO requirements for compliance with the fiscal note Uniform Standards and Procedures. Costs associated with the manual calculation by court staff to determine fees assessed for printing court documents cannot be estimated. An accurate fiscal impact for staff time required for Section 1, Subd. 2(3) cannot be determined due to lack of data.

LBO Signature: Karen McKey **Date:** 1/24/2023 3:31:58 PM
Phone: 651-284-6429 **Email:** karen.mckey@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

| State Cost (Savings) = 1-2 | | Biennium | | | Biennium | |
|--|----------|-----------------|---------------|---------------|-----------------|---------------|
| Dollars in Thousands | | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 |
| General Fund | - | 250 | 272 | 272 | 272 | 272 |
| Total | - | 250 | 272 | 272 | 272 | 272 |
| Biennial Total | | | 522 | | | 544 |
| 1 - Expenditures, Absorbed Costs*, Transfers Out* | | | | | | |
| General Fund | - | - | - | - | - | - |
| Total | - | - | - | - | - | - |
| Biennial Total | | | - | | | - |
| 2 - Revenues, Transfers In* | | | | | | |
| General Fund | - | (250) | (272) | (272) | (272) | (272) |
| Total | - | (250) | (272) | (272) | (272) | (272) |
| Biennial Total | | | (522) | | | (544) |

Bill Description

SF199-0 amends section 357.021, subd. 2 to change the uncertified copy fee amount from \$8 per document to a per page rate. The per page rate is to equal the materials and labor used to produce a copy set by rule or order of the court. The fee charged cannot exceed \$8. The bill also prohibits charging a fee to view or download a copy of a court document available on an online platform for public access to court records.

The bill is effective July 1, 2023.

Assumptions

Effective July 1, 2023, the copy fee for paper copies obtained from the court administrator will be a per page rate set by court rule or order, with a maximum fee amount of \$8 for a single document.

No fee currently is being charged to view or download an accessible public document from Minnesota Court Records Online (MCRO).

Requests for paper copies of court documents are received by court administration in person at the courthouse, by email or by US mail. Payment must be made before a copy of a document is provided, unless an exception applies such as section 357.021, subd. 1b(c) or 563.01 (in forma pauperis).

This bill will result in a reduction in copy fee revenue beginning in FY24.

Copy fee revenue is credited to the state general fund. The current \$8 per document copy fees received in June 2023 will be credited to the state general fund in July 2023.

On average for FY19-FY21, uncertified copy fee revenue was \$580,093 (\$694,038 in FY19; \$586,698 in FY20; and \$459,543 in FY21).

In FY22, the first full year of MCRO, uncertified copy fee revenue was \$317,009.

In FY23 the uncertified copy fee revenue for the first half of the year was \$130,662. The estimated uncertified copy fee revenue for FY23 is \$261,324 (\$130,662 x 2). The source of the significant decrease in revenue is unknown. It is reasonable to assume that the decrease in revenue is due, in part, to the availability of court documents through the MCRO application (17.4 million documents downloaded to date; 13.8 million were downloaded in CY2022).

The average for the actual and anticipated revenue for FY22 and FY23 is \$289,167 ($\$317,009 + 261,324 = 578,333$ divided by 2).

The average number of copies paid for was 36,146 documents ($\$289,167$ divided by $\$8$). The number of pages in each of these documents is unknown. The average number of pages in the documents printed is unknown.

It is known that of the approximately 13.8 million public documents download from MCRO CY2022, 44.4% (6,159,554) were one-page documents and 55.1% (7,655,859) were 2-79 pages, and 0.5% (64,587) were 80 pages or more. The average length of the downloaded documents that were 2 or more pages in length was 7 pages.

Assuming the public documents in MCRO are reflective of all court documents, of the estimated 36,146 documents printed at courthouses annually:

- 16,049 are 1 page in length ($36,146 \times 44.4\%$)
- 19,917 are more than one page in length ($36,146 \times 55.1\%$)

Court staff will need to calculate and manually enter the applicable fee into the Judicial Branch case management system (MNCIS). It is not possible to calculate the staff time needed to perform this task. It is not known if the Branch can assume this added responsibility.

It is not possible to calculate the cost of paper, printer ink, and printer maintenance needed to perform this task. It is assumed that the cost will be absorbed by the Judicial Branch.

Expenditure and/or Revenue Formula

The amount of the per page rate is unknown. The per page rate set by court rule or order will take into account the current cost of paper, printers, printer maintenance, and ink, as well as an average wage of court staff who print the documents requested.

The per page copy fee rate for documents in the federal government's case management system (PACER) is $\$0.10$ per page. The per page copy fee rate charged by some libraries in Minnesota are $\$0.10$ or $\$0.15$ per page. For purposes of this fiscal note, it is assumed that the copy fee will be set at $\$0.10$ per page. The maximum copy fee amount per document of $\$8$ is paid for documents of 80 pages in length or more.

Reduction in revenue for one-page documents is $\$7.90$ per document ($\$8 - \0.10). Estimating that approximately 16,049 copies of one-page documents will be requested, the decrease in revenue is $\$126,787$.

Reduction in revenue for documents with two or more pages is $\$7.30$ per document ($\$8 - \0.70 (7 pages \times $\$0.10$ per page)). At 19,917 documents the decrease in revenue is $\$145,394$.

The estimated revenue decrease to the state general fund in FY24, taking cash flow into account, is at least $\$249,499$ ($\$126,787 + \$145,394 = \$272,181$ divided by 12 months \times 11 months).

The estimated revenue decrease to the state general fund in FY25 and after is at least $\$272,181$ ($\$126,787 + \$145,394$).

Long-Term Fiscal Considerations

Loss of revenue is permanent.

Local Fiscal Impact

References/Sources

Agency Contact:

Agency Fiscal Note Coordinator Signature: Janet Marshall

Phone: 651-297-7579

Date: 1/24/2023 9:07:15 AM

Email: Janet.marshall@courts.state.mn.us