

1.1 Senator moves to amend S.F. No. 4403 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2022, section 480.24, subdivision 2, is amended to read:

1.4 Subd. 2. **Eligible client.** "Eligible client" means an individual that is financially unable
1.5 to afford legal assistance, as determined by a recipient on the basis of eligibility guidelines
1.6 established by the ~~supreme court~~ State Board of Civil Legal Aid pursuant to section 480.243,
1.7 subdivision 1.

1.8 Sec. 2. Minnesota Statutes 2022, section 480.24, subdivision 4, is amended to read:

1.9 Subd. 4. **Recipient.** "Recipient" means a qualified legal services program that receives
1.10 funds ~~from the supreme court~~ pursuant to section 480.242 to provide legal services to eligible
1.11 clients.

1.12 Sec. 3. **[480.2415] STATE BOARD OF CIVIL LEGAL AID.**

1.13 Subdivision 1. Structure; membership. (a) The State Board of Civil Legal Aid is a
1.14 part of, but is not subject to the administrative control of, the judicial branch of government.

1.15 (b) Immediately upon the effective date of this section, the board shall consist of the
1.16 members of the advisory committee to the supreme court then existing pursuant to section
1.17 480.242, subdivision 1. No later than June 1 of the first year following the effective date of
1.18 this section, the board shall consist of 11 members including:

1.19 (1) six members appointed by the supreme court; and

1.20 (2) five members appointed by the governor.

1.21 (c) All candidates shall have demonstrated a commitment in maintaining high quality
1.22 civil legal services to people of low or moderate means. The appointing entities shall seek
1.23 board members who reflect the diverse populations served by civil legal aid through attorney
1.24 and nonattorney members.

1.25 (d) The appointing entities may not appoint an active judge to be a member of the board,
1.26 but may appoint a retired judge. The appointing entities may not appoint a person who is
1.27 closely affiliated with any entity awarded funding pursuant to section 480.242 or any entity
1.28 seeking funding pursuant to section 480.242. The board may set term limits for board
1.29 members. An appointing authority may not make an appointment that exceeds the term
1.30 limits established by the board.

2.1 (e) The terms, compensation, and removal of board members shall be as provided in
2.2 section 15.0575, except that the board may establish a per diem in excess of the amount
2.3 provided in law. The members shall elect the chair from among the membership for a term
2.4 of two years.

2.5 Subd. 2. **Duties and responsibilities.** (a) The State Board of Civil Legal Aid shall work
2.6 to ensure access to high quality civil legal services in every Minnesota county.

2.7 (b) The board shall:

2.8 (1) approve and recommend to the legislature a budget for the board and the civil legal
2.9 services grants distributed subject to section 480.242;

2.10 (2) establish procedures for distribution of funding under section 480.242; and

2.11 (3) establish civil program standards, administrative policies, or procedures necessary
2.12 to ensure quality advocacy for persons unable to afford private counsel.

2.13 (c) The board may propose statutory changes to the legislature and rule changes to the
2.14 supreme court that are in the best interests of persons unable to afford private counsel.

2.15 (d) The board shall not interfere with the discretion or judgment of civil legal services
2.16 programs in their zealous advocacy.

2.17 Subd. 3. **State civil legal aid program administrator.** The State Board of Civil Legal
2.18 Aid shall appoint a program administrator who serves at the pleasure of the board. The
2.19 program administrator is not required to be licensed to practice law. The program
2.20 administrator shall attend all meetings of the board, but may not vote, and shall:

2.21 (1) carry out all administrative functions necessary for the efficient and effective operation
2.22 of the board and the civil legal aid delivery system, including but not limited to hiring,
2.23 supervising, and disciplining program staff;

2.24 (2) implement, as necessary, resolutions, standards, rules, regulations, and policies of
2.25 the board;

2.26 (3) keep the board fully advised as to its financial condition, and prepare and submit to
2.27 the board the annual program and State Board of Civil Legal Aid budget and other financial
2.28 information as requested by the board;

2.29 (4) recommend to the board the adoption of rules and regulations necessary for the
2.30 efficient operation of the board and the civil legal aid program; and

2.31 (5) perform other duties prescribed by the board.

3.1 Subd. 4. **Administration.** The board may contract for administrative support services.

3.2 Subd. 5. **Access to records.** Access to records of the State Board of Civil Legal Aid is
3.3 subject to the Rules of Public Access for Records of the Judicial Branch, excluding the
3.4 appeals process in rule 9.

3.5 Sec. 4. Minnesota Statutes 2022, section 480.242, subdivision 2, is amended to read:

3.6 Subd. 2. **Review of applications; selection of recipients.** At times and in accordance
3.7 with any procedures ~~as the supreme court adopts in the form of court rules adopted by the~~
3.8 State Board of Civil Aid, applications for the expenditure of civil legal services funds shall
3.9 be accepted from qualified legal services programs or from local government agencies and
3.10 nonprofit organizations seeking to establish qualified alternative dispute resolution programs.
3.11 The applications shall be reviewed by the ~~advisory committee, and the advisory committee,~~
3.12 ~~subject to review by the supreme court~~ State Board of Civil Legal Aid, which shall distribute
3.13 the funds available for this expenditure to qualified legal services programs or to qualified
3.14 alternative dispute resolution programs submitting applications. The funds shall be distributed
3.15 in accordance with the following formula:

3.16 (a) Eighty-five percent of the funds distributed shall be distributed to qualified legal
3.17 services programs that have demonstrated an ability as of July 1, 1982, to provide legal
3.18 services to persons unable to afford private counsel with funds provided by the federal Legal
3.19 Services Corporation. The allocation of funds among the programs selected shall be based
3.20 upon the number of persons with incomes below the poverty level established by the United
3.21 States Census Bureau who reside in the geographical area served by each program, as
3.22 determined by the ~~supreme court~~ State Board of Civil Legal Aid on the basis of the most
3.23 recent national census. All funds distributed pursuant to this clause shall be used for the
3.24 provision of legal services in civil and farm legal assistance matters as prioritized by program
3.25 boards of directors to eligible clients.

3.26 (b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal
3.27 services programs for the provision of legal services in civil matters to eligible clients,
3.28 including programs which organize members of the private bar to perform services and
3.29 programs for qualified alternative dispute resolution, (2) to programs for training mediators
3.30 operated by nonprofit alternative dispute resolution corporations, or (3) to qualified legal
3.31 services programs to provide family farm legal assistance for financially distressed state
3.32 farmers. The family farm legal assistance must be directed at farm financial problems
3.33 including, but not limited to, liquidation of farm property including bankruptcy, farm
3.34 foreclosure, repossession of farm assets, restructuring or discharge of farm debt, farm credit

and general debtor-creditor relations, and tax considerations. If all the funds to be distributed pursuant to this clause cannot be distributed because of insufficient acceptable applications, the remaining funds shall be distributed pursuant to clause (a).

A person is eligible for legal assistance under this section if the person is an eligible client as defined in section 480.24, subdivision 2, or:

- (1) is a state resident;
- (2) is or has been a farmer or a family shareholder of a family farm corporation within the preceding 24 months;
- (3) has a debt-to-asset ratio greater than 50 percent; and
- (4) satisfies the income eligibility guidelines established under section 480.243, subdivision 1.

Qualifying farmers and small business operators whose bank loans are held by the Federal Deposit Insurance Corporation are eligible for legal assistance under this section.

Sec. 5. Minnesota Statutes 2022, section 480.242, subdivision 3, is amended to read:

Subd. 3. **Timing of distribution of funds.** The funds to be distributed to recipients selected in accordance with the provisions of subdivision 2 shall be distributed by the ~~supreme court~~ State Board of Civil Legal Aid no less than twice per calendar year.

Sec. 6. Minnesota Statutes 2022, section 480.243, subdivision 1, is amended to read:

Subdivision 1. **Committee eligibility guidelines.** ~~The supreme court, with the advice of the advisory committee,~~ State Board of Civil Legal Aid shall establish guidelines ~~in the form of court rules~~ to be used by recipients to determine the eligibility of individuals and organizations for legal services provided with funds received pursuant to section 480.242. The guidelines shall be designed solely to assist recipients in determining whether an individual or organization is able to afford or secure legal assistance from private counsel with respect to the particular matter for which assistance is requested.

Sec. 7. Laws 2023, chapter 52, article 1, section 2, subdivision 1, is amended to read:

				82,624,000
Subdivision 1. Total Appropriation	\$	80,141,000	\$	<u>49,064,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

5.1 Sec. 8. Laws 2023, chapter 52, article 1, section 2, subdivision 3, is amended to read:

5.2			33,560,000
5.3	Subd. 3. Civil Legal Services	33,560,000	<u>0</u>

5.4 The general fund base is \$34,167,000
5.5 beginning in fiscal year 2026.

5.6 **Legal Services to Low-Income Clients in**
5.7 **Family Law Matters**

5.8 \$1,017,000 ~~each~~ in the first year is to improve
5.9 the access of low-income clients to legal
5.10 representation in family law matters. This
5.11 appropriation must be distributed under
5.12 Minnesota Statutes, section 480.242, to the
5.13 qualified legal services program described in
5.14 Minnesota Statutes, section 480.242,
5.15 subdivision 2, paragraph (a). Any
5.16 unencumbered balance remaining in the first
5.17 year does not cancel and is available in the
5.18 second year.

5.19 Sec. 9. **STATE BOARD OF CIVIL LEGAL AID; STAFF.**

5.20 Staff currently employed to support the advisory committee created pursuant to Minnesota
5.21 Statutes, section 480.242, shall transfer to the State Board of Civil Legal Aid upon the
5.22 effective date consistent with Minnesota Statutes, section 15.039, subdivision 7.

5.23 Sec. 10. **APPROPRIATION; STATE BOARD OF CIVIL LEGAL AID.**

5.24 \$33,560,000 in fiscal year 2025 is appropriated from the general fund to the State Board
5.25 of Civil Legal Aid for the purposes provided in Minnesota Statutes, section 480.2415, and
5.26 related law. Of that amount, \$1,017,000 is to improve the access of low-income clients to
5.27 legal representation in family law matters. This appropriation must be distributed under
5.28 Minnesota Statutes, section 480.242, to the qualified legal services program described in
5.29 Minnesota Statutes, section 480.242, subdivision 2, paragraph (a).

5.30 Sec. 11. **REPEALER.**

5.31 Minnesota Statutes 2022, section 480.242, subdivision 1, is repealed.

- 6.1 Sec. 12. **EFFECTIVE DATE.**
- 6.2 Sections 1 to 11 are effective on July 1, 2024."
- 6.3 Amend the title accordingly