

Judicial Impact Fiscal Note

Bill Number: 1248 S HB AMS LAW S2807.1	Title: Court proceedings	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2016	FY 2017	2015-17	2017-19	2019-21
General Fund-State 001-1	(57,907)	(57,907)	(115,814)	(115,814)	(115,814)
Judicial Stabilization Trust Account-State 16A-1	(5,589)	(5,589)	(11,178)	(11,178)	(11,178)
Counties	43,926	43,926	87,852	87,852	87,852
Cities					
Total \$	(19,570)	(19,570)	(39,140)	(39,140)	(39,140)

Estimated Expenditures from:

STATE	FY 2016	FY 2017	2015-17	2017-19	2019-21
State FTE Staff Years					
Account					
General Fund-State 001-1	(185,037)	(185,037)	(370,074)	(370,074)	(370,074)
State Subtotal \$	(185,037)	(185,037)	(370,074)	(370,074)	(370,074)
COUNTY	FY 2016	FY 2017	2015-17	2017-19	2019-21
County FTE Staff Years					
Account					
Local - Counties	(278,578)	(278,578)	(557,156)	(557,156)	(557,156)
Counties Subtotal \$	(278,578)	(278,578)	(557,156)	(557,156)	(557,156)
CITY	FY 2016	FY 2017	2015-17	2017-19	2019-21
City FTE Staff Years					
Account					
Local - Cities					
Cities Subtotal \$					
Local Subtotal \$	(278,578)	(278,578)	(557,156)	(557,156)	(557,156)
Total Estimated Expenditures \$	(463,615)	(463,615)	(927,230)	(927,230)	(927,230)

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

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Request # 1248 SHB A-1

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill addresses civil claims jurisdictional limit in district courts, arbitration and arbitration filing fees.

Section 1 would amend RCW 3.66.020 to increase the civil claims jurisdictional limit in district courts from \$75,000 to \$100,000 exclusive of interest, costs, and attorneys' fees. The \$100,000 case value limit would apply to each claimant if a case has multiple claimants.

Section 7(25) would amend RCW 36.18.016 to increase the allowable filing fee for mandatory arbitration from \$220 to \$250. The \$30 dollars from this filing fee must fund indigent defense in the county where the arbitration is filed.

Section 7(26) would increase the allowable filing fee for a trial de novo of an arbitration award from \$250 to \$275.

II. B - Cash Receipts Impact

The increase in the civil claims jurisdictional limit in district court would result in a shift of civil case filings from superior court to district court along with the filing fees for these cases. The filing fee for civil actions in superior court is \$240 and the filing fee for civil actions in district court is \$73.

If there were 745 cases shifting to district court (see assumptions in expenditure impact) there would be a decrease of \$178,800 in filing fee revenue for superior courts and an increase of \$54,385 in filing fee revenue for district courts. The net of the decrease and increase would be:

- \$60,919 decrease in revenue to the counties per year;
- \$57,907 decrease in revenue to the general state fund per year; and
- \$5,589 decrease in revenue to the judicial stabilization account per year.

The increase in the mandatory arbitration filing fee from \$220 to \$250 is estimated to increase county revenue by \$88,920 per year.

This estimate is based on Judicial Information System (JIS) data on arbitration filing fee revenue. The average arbitration filing fee revenue collected for 2013 & 2014 was \$652,180 per year. This amount was divided by the current filing fee charge of \$220 to get average filings per year of 2,964. The average filings per year of 2,964 multiplied by the \$30 increase equals \$88,920.

The increase in the filing fees for trial de novo of an arbitration award from \$250 to \$275 is estimated to increase county revenue by \$15,925 per year.

This estimate is based on Judicial Information System (JIS) data on trial de novo arbitration filing fee revenue. The average trial de novo arbitration filing fee revenue collected for 2013 & 2014 was \$159,190 per year. This amount was divided by the current filing fee charge of \$250 to get average filings per year of 637. The average filings per year of 637 multiplied by the \$25 increase equals \$15,925 per year.

II. C - Expenditures

The increase in the civil claims jurisdictional limit in district court would result in a shift of civil case filings from superior court to district court.

The increase in the district court civil jurisdiction level from \$50,000 to \$75,000 in 2008 resulted in an increase in civil filings in the district courts of an average of about .6% per year. Assuming the increase in civil case filings in district court would be the same for the jurisdiction level increase in this bill, the following judicial staff time costs would shift from superior court to district court.

Judicial Information System data shows that the average number of civil case filings in superior court between 2012 and 2014 was 124,290 per year. If .6% of those cases shifted to district courts from superior courts, there would be an increase of 745 cases heard in district court per year.

The increase in district court judicial staff time costs would be \$530,615 per year (for counties). The decrease in superior court judicial staff time costs would be \$994,231 (\$809,193 for counties and \$185,037 for State). These amounts are based on standard times and

costs for civil case proceedings.

Any time savings would be used to offset delays in other trial types.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

<u>State</u>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Professional Service Contracts					
Goods and Other Services					
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$					

III. B - Expenditure By Object or Purpose (County)

<u>County</u>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

III. C - Expenditure By Object or Purpose (City)

<u>City</u>	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

Part IV: Capital Budget Impact



Ten-Year Analysis

Bill Number 1248 S HB AMS LAW S2807.1	Title Court proceedings	Agency 055 Admin Office of the Courts
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
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