

PROPERTY TAX
State Court Cost Takeover in Ramsey
County

PRELIMINARY ANALYSIS

April 5, 2001

Department of Revenue
 Analysis of H.F. 1663 (Mahoney) / S.F. 1657 (Cohen)

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Revenue Gain or (Loss)			
<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
	(000's)		

General Fund:

Appropriation for 2 nd district court	(Unspecified)	(Unspecified)
Appropriation for state takeover costs	(Unknown)	(Unknown)
Fine and fee revenue	Unknown	Unknown
Ramsey County HACA reduction	Unknown	Unknown
Manufactured home HACA reduction	Unknown	Unknown

Various effective dates. Most of the sections are effective July 1, 2003.

EXPLANATION OF THE BILL

Current Law: The 1999 legislature provided for the state to assume all court administration employees and costs in the 5th, 7th, and 9th judicial districts effective July 1, 2000. Court costs for the 8th judicial district pilot project were made permanent. Supplemental jury and mandated transcript costs in the 1st, 2nd, 3rd, 4th, 5th, 6th, and 10th districts were assumed by the state effective July 1, 2000. Interpreter, guardians, rule 20 and mental commitment exam costs are taken over by the state in the 5th, 7th, and 9th judicial districts beginning July 1, 2001. Fine revenue for counties in the 5th, 7th, and 9th districts were transferred to the state. The 1999 session also provided for reduction of county homestead and agricultural credit aid (HACA) payments for court costs assumed on July 1, 2000, but did not enact a HACA reduction for court costs to be assumed on July 1, 2001. With the exception of supplemental jury and mandated transcript costs assumed on July 1, 2000, the 2nd judicial district (Ramsey County) was exempted from the state takeover of court costs.

Proposed Law: The 2nd judicial district (Ramsey County) is added to the state takeover of county court costs, effective July 1, 2003. Payments of county HACA to Ramsey County in calendar year 2003 (F.Y. 2004) will be reduced by an amount equal to the county's share of assumed court costs, less an amount equal to 1.075 times the county's share of transferred fines collected by district courts in the county during calendar year 2001. Payment of the county share of manufactured home HACA for calendar year 2003 must be permanently reduced by 75 percent of the cost of the state assumption of court costs, and payment of the aid in 2004 must be reduced by 25 percent of the cost to the state. An unspecified appropriation is made to the 2nd district court to fund district court expenses related to the takeover.

April 5, 2001

REVENUE ANALYSIS DETAIL

- According to the state court administrator, an estimate of Ramsey County court costs, or fine and fee revenue, for the proposed state takeover in calendar year 2003 is not yet available. A revised analysis will be provided when the estimates become available.

Number of Taxpayers Affected: Ramsey County property taxpayers will be affected by the state takeover of court costs. Although the initial takeover is funded by a transfer of HACA and fee revenue, growth of costs in the future will be funded from state revenue.

ADMINISTRATIVE/OPERATIONAL IMPACT

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>

hf1663(sf1657)_1 / JB