

Update for 2024 Session

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 139 seeks to amend the jurisdictional amount for small claims court from \$3,500 to \$10,000 from July 1, 2023, through June 30, 2025.

For purposes of this bill, we assume that the operative date will be July 1, 2024, through June 30, 2026.

Expenditures:

LB 139, as proposed, will have the following fiscal impact:

First, there will be a reduction in court fee revenue, impacting judges' retirement and various Cash Funds. The financial impact cannot be determined at this moment.

Second, there may be an increase in the workload for court staff and judges, primarily due to an anticipated shift in cases from civil to small claims courts. Judicial studies indicate that small claims cases generally require more time compared to civil cases. Consequently, LB139 is likely to increase both case processing times and overall workload. Based on data from judicial weighted caseloads and civil cases under \$10,000, the agency suggests that there might be a need for three additional county court judges and courtroom clerks. The estimated General Fund impact for this would be \$975,000 in FY24-25 and \$965,000 in FY25-26.

It's important to note that accommodating these changes would require amending Section 24-503, which governs the number of county court judges in each judicial district.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 139	AM:	AGENCY/POLT. SUB: Nebraska Supreme Court (005)
REVIEWED BY: Joe Wilcox	DATE: 12/18/2023	PHONE: (402) 471-4178
COMMENTS: The current fiscal note from the Supreme Court on LB 139 is higher than the previous fiscal note (February 2023) from the Agency on the bill. The previous fiscal note estimated potentially 2 additional County Court Judges would be required. The current fiscal note now estimates potentially 3 additional County Court Judges, and 3 additional County Clerks would be required, yet the original provisions of LB 139 have not changed, so the rationale for the additional cost is questionable.		

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2024

LB⁽¹⁾ 139

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 12/14/2023 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See below		See below	
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB139, as introduced, increases the jurisdictional limit for small claims cases from \$3,500 to \$10,000.

Background information. In county court, a civil action is filed as a small claims case if damage or personal property value is under \$3,500 and filed as a civil case if above \$3,500. Filing fee: small claims case \$29.00, civil case \$49.00. Attorneys are not permitted to participate in small claims cases so parties represent themselves.

Fiscal impact.

1. Reduction in court fee revenue. The difference in filing fees will affect judges' retirement and several Cash Funds. A reasonable estimate of the impact cannot be determined at this time.
2. Increase in court staff and judicial workload. It is estimated that there will be a significant shift in cases from civil to small claims court dockets. Judicial workload studies have shown a small claims case takes additional time compared to civil cases. Therefore, LB139 is estimated to increase case processing time and workload. Based on judicial weighted caseload information and data involving civil cases below \$10,000, there is a potential that three additional county court judges and courtroom clerks would be required. Estimated General Fund impact: FY24-25 \$975,000, FY25-26 \$965,000.

Note: statute Section 24-503, governing the number of county court judges in each judicial district, would have to be amended to increase the number of judges.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>

Benefits	_____	_____	_____	_____
Operating			_____	_____
Travel			_____	_____
Capital outlay			_____	_____
Aid			_____	_____
Capital improvements			_____	_____
TOTAL			_____	_____