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FISCAL IMPACT REPORT

ORIGINAL DATE 02/20/09

SPONSOR Adair LAST UPDATED _____ HB _____

SHORT TITLE Metro & Magistrate Court Civil Action Amount SB 590

ANALYST C. Sanchez

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY09	FY10		
	NFI		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY09	FY10	FY11	3 Year Total Cost	Recurring or Non-Rec	Fund Affected
Total		\$0.1	\$0.1	Indeterminate	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
 Department of Finance and Administration (DFA)
 Bernalillo County Metropolitan Court (BCMC)

SUMMARY

Synopsis of Bill

The bill increases the jurisdictional amount for civil actions in metropolitan court and magistrate court from \$10,000 to \$15,000.

FISCAL IMPLICATIONS

According to the AOC, there will be a minimal administrative cost for statewide update, distribution and documentation of statutory changes. Increasing the jurisdictional limit for civil cases in metropolitan and magistrate court has the potential to increase caseloads in the courts, thus requiring additional resources to handle the increase. (See comments in significant issues section)

SIGNIFICANT ISSUES

According to the AOC, It is possible but not certain that this bill would increase civil filings in magistrate and metropolitan court. Previously raising jurisdictional limits has had no clear effect of increasing or decreasing civil filings in magistrate court. Listed below are the numbers of new civil filings for fiscal years, excluding landlord-tenant cases:

FY 1997--16,830

FY 1998--15,637

FY 1999--13,526

FY 2000--13,148--(First year jurisdictional limit raised to \$7500)

FY 2001--15,126--(First year jurisdictional limit raised to \$10,000)

FY 2002--15,188

FY 2003--14,188

FY 2004--16,028

FY 2005--15,412

FY 2006--14,939

FY 2007--16,716

FY 2008--15,788

This information comes from the judiciary's annual reports. Reports from FY 1997-2008 are posted on www.nmcourts.com.

According to the Bernalillo County Metropolitan Court, an increase in the civil jurisdictional ceiling would significantly increase the number of cases to be heard by the Metropolitan Court's three (3) Civil Division Judges. Metro Court believes, given the extent of the increased workload that would result from the higher jurisdictional amount, additional appropriations may be necessary.

PERFORMANCE IMPLICATIONS

The courts are participating in performance-based budgeting. If caseloads increase, at a time of scarce resources, this bill may have an impact on the measures of the courts in the following areas:

- Cases disposed of as a percent of cases filed
- Percent change in case filings by case type

ADMINISTRATIVE IMPLICATIONS

According to Metro Court, this proposal would impact the Metropolitan Court's Mediation Division and the Self Help Center. The Mediation Division attempts to provide alternative dispute resolution in civil cases when agreed to by all the parties to such a case. It is estimated that this proposal would cause an increase of several hundred cases destined for the Mediation Division. The Self Help Center, which provides basic procedural information to unrepresented litigants, would require additional staffing to deal with the certain increase in the number of unrepresented litigants.

OTHER SUBSTANTIVE ISSUES

According to DFA, SB590 would raise the 'ceiling' for civil cases that could be heard in metropolitan and magistrate courts. By enacting SB590, cases between \$10,000 and \$15,000 shall fall within the jurisdiction of a magistrate or metropolitan court.

Also, DFA states that SB 590 does not address the issue of lessening the caseload of a district court although the bill would have the effect of setting the 'ceiling' for district courts at more than \$15,000 therefore in effect potentially reducing a district court's caseload. It is possible that reducing the number of civil cases heard at the district level may actually allow district courts to maintain an acceptable level of service that has been overburdened in the past few years rather than creating an overall reduction in caseload work.

The final consideration is that of complexity. If magistrate and metropolitan courts see an appreciable increase in caseload leading to an increase in operating budget to handle the increased caseload, such appropriation would go through the AOC for magistrate courts while increases to BCMC would go directly to that court. The effect the bill could have on each district court would have to be determined on a case by case basis.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status Quo

CS/svb