

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6860
BILL NUMBER: SB 211

NOTE PREPARED: Jan 17, 2009
BILL AMENDED:

SUBJECT: City and Town Courts.

FIRST AUTHOR: Sen. Randolph
FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill has the following provisions:

- A. *Judges Required to be Attorneys* – It requires the judge of a city or town court to be an attorney in good standing admitted to the practice of law in Indiana. It allows a person who is: (1) a judge of a city or town court serving on June 30, 2009; and (2) not an attorney in good standing admitted to the practice of law in Indiana; to continue to serve only for the remainder of the person's term.
- B. It repeals a superseded provision concerning qualifications for town court judges.
- C. *Change in Jurisdiction* – It provides that: (1) the city courts and town courts in Lake County; and (2) the city court in a second class city; have original and concurrent civil jurisdiction with the circuit court and superior courts of the county in which the city and town courts are located over: (A) civil actions in which the amount sought or value of the property sought to be recovered is not more than \$6,000; (B) possessory actions between landlord and tenant in which the rent due at the time the action is filed does not exceed \$6,000; and (C) emergency possessory actions between a landlord and tenant.
- D. *Courts of Record* – It provides that a city court in a second class city is a court of record.

Effective Date: July 1, 2009.

Explanation of State Expenditures:

Explanation of State Revenues: *Change in Jurisdiction* – If more cases are filed in these city and town courts, then the state General Fund would receive less revenue from court fees and the local units of government. A specific revenue loss could not be determined since the shift in the number of cases from trial

courts to the 17 city and town courts could not be predicted. (See *Explanation of Local Revenue*.)

Explanation of Local Expenditures: Judges Required to be Attorneys – Of the 73 city and town courts in 2007, 44 had judges who were not attorneys and 29 had judges who were. The average salary of judges who are attorneys (referred to as attorney judges) is more than twice as high as the salary of those judges who are not (non-attorney judges). Consequently, the expenditures of city and town courts with non-attorney judges could likely increase if they are required to be attorneys.

Background of Judges of City and Town Courts – 2007		
Background of Judges	Number of Courts	Average Salary
Not an Attorney	44	\$18,505
Attorney	29	\$37,969
Total / Average	73	\$26,237

Courts of Record – This bill would affect the jurisdictions of nine city courts which are located in either second class cities (between 35,000 and 599,999 in population).

In CY 2007, these courts reported to the Division of State Court Administration that roughly 93% of the cases filed in their courts were either misdemeanors, miscellaneous criminal, infractions, or ordinance violations.

Current Distribution of Cases in City Courts in Second Class Cities				
Misdemeanors	Miscellaneous	Infractions	Ordinance Violations	Civil
21,301	224	61,008	18,963	8,073
19%	0%	56%	17%	7%

Courts of record require court reporters to make a record of all court proceedings. In 2007, five city or town courts reported having court reporters on their staff at an average expenditure of \$17,600.

Change in Civil Jurisdiction – Increasing the civil jurisdiction of these nine courts might require them to hire additional staff if they receive more case filings. Generally, the estimated time needed to dispose of civil cases is more than for misdemeanors, infractions, and ordinance violations, as shown in the following table.

Weighting Factors in Minutes by Case Category							
Misc. Criminal	Misdemeanor	Infractions and Ord. Violations	Civil Plenary	Civil Collections	Civil Tort	Civil Miscellaneous	Small Claims
18	40	2	121	26	118	87	13

Explanation of Local Revenues: Courts of Record and Change in Jurisdiction – If more cases are filed in these city and town courts, then the general fund of cities and town courts and the general fund of the county in which the court is located would receive more revenue from court fees.

A \$100 civil costs fee is assessed when a civil case is filed in either a trial court or a city or town court. In addition, some or all of the document storage fee (\$2), automated record keeping fee (\$7), judicial salaries fee (\$18), public defense administration fee (\$3), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

The state General Fund receives a smaller share of revenue from the civil costs fee when cases are filed in city and town courts rather than in trial courts. [The state receives all of the revenue from the other fees mentioned above.]

The following table compares the distribution of court fee revenue depending on whether a case is filed in a trial court or a city or town court.

	Trial Courts	City or Town Courts
State Share	70%	55%
County Share	27%	20%
City or Town Share	3%	25%

State Agencies Affected: Division of State Court Administration.

Local Agencies Affected: City courts in Muncie, Elkhart, Noblesville, Carmel, Greenwood, Hammond, Gary, Anderson, and Terre Haute.

Information Sources: Division of State Court Administration, Indiana Judicial Center, Indiana Code.

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