

HF420 - 0 - Minnesota Family Resiliency Partnership Funding

Chief Author: **Liz Reyer**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **3/2/2023 11:47:40 AM**
 Lead Agency: **Minn Management and Budget**
 Other Agencies:
 Employment and Economic
 Dvlpmt

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Employment and Economic Dvlpmt						
Restrict Misc. Special Revenue	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Minn Management and Budget						
General Fund	-	1,128	1,128	1,128	1,128	1,128
State Total						
Restrict Misc. Special Revenue	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
General Fund	-	1,128	1,128	1,128	1,128	1,128
Total	-	-	-	-	-	-
Biennial Total						

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Employment and Economic Dvlpmt					
Restrict Misc. Special Revenue	-	-	-	-	-
Minn Management and Budget					
General Fund	-	-	-	-	-
Total	-	-	-	-	-

Lead LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 3/2/2023 11:47:40 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Employment and Economic Dvlpmt						
Restrict Misc. Special Revenue	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Minn Management and Budget						
General Fund	-	1,128	1,128	1,128	1,128	1,128
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Employment and Economic Dvlpmt						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Minn Management and Budget						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
Employment and Economic Dvlpmt						
Restrict Misc. Special Revenue	-	1,128	1,128	1,128	1,128	1,128
Minn Management and Budget						
General Fund	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Total		-	-	-	-	-
Biennial Total				-		-

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 Agency: **Minn Management and Budget**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	1,128	1,128	1,128	1,128	1,128
Total	-	1,128	1,128	1,128	1,128	1,128
Biennial Total			2,256			2,256

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Susan Nelson **Date:** 3/1/2023 8:12:13 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	1,128	1,128	1,128	1,128	1,128
Total		-	1,128	1,128	1,128	1,128
Biennial Total				2,256		2,256
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
2 - Revenues, Transfers In*						
General Fund	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Total		-	(1,128)	(1,128)	(1,128)	(1,128)
Biennial Total				(2,256)		(2,256)

Bill Description

A bill for an act relating to judiciary; reallocating fee revenue; increasing funding for the Minnesota Family Resiliency Partnership; amending Minnesota Statutes 2022, sections 357.021, subdivision 1a; 517.08, subdivision 1c. .

Section 1. Subd. 1a. alters application of dissolution action fees. Bill requires \$60 of fees collected must be deposited by MMB in the special revenue fee for the Minnesota Family Resiliency Partnership. This is a change from \$30.

Sec. 2. alters to application of marriage license fees. The local register must pay \$90 to MMB which remains unaltered. However, the fee must be receipted with \$25 to the general fund and \$55 in the special revenue fee for the Minnesota Family Resiliency Partnership. Prior to this bill, the application of fees was inverted.

Assumptions

MMB assumes that the usage rates will remain constant in the forecast horizon. The five year average for marriage license fees (using data from 2018 through 2022) was 22,730 marriage license applications per year and 14,886 dissolution applications.

MMB assumes no additional administrative costs associated with this bill.

It is assumed the bill's effective date is July 1, 2023.

Expenditure and/or Revenue Formula

The MMB marriage license fees are not changing overall, but the application of funds will be shifted to reduce funds to general fund and increase allocation to DEED for Minnesota Resiliency Fund. Below is the impact of this using the license count highlighted in assumptions and moving \$30 from general fund to special revenue fund per license:

Fund	24	25	26	27
1000	(681,900)	(681,900)	(681,900)	(681,900)

The MMB dissolution fees are not changing overall, but the application of funds will be shifted to reduce funds to general fund and increase allocation to DEED for Minnesota Resiliency Fund. Below is the impact of this using the license count

highlighted in assumptions and moving \$30 from general fund to special revenue fund per license:

Fund	24	25	26	27
1000	(446,580)	(446,580)	(446,580)	(446,580)

The net impact of this is projected to be for MMB:

Fund	24	25	26	27
1000	(1,128,480)	(1,128,480)	(1,128,480)	(1,128,480)

Long-Term Fiscal Considerations

The projected impact is based on marriage licenses and dissolutions remaining constant. Any changes in consumer behavior will impact the cash flows related to fees.

Local Fiscal Impact

MMB expects that funds receipted to general fund will decline due to reallocation of \$30 from general fund to special revenue fund.

MMB calculates that funds receipted to the special revenue fund will increase due to the marriage license fee application and the increase in dissolution fees.

References/Sources

Agency Contact: Ronika Rampadarat 651-201-8115

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Chief Author: **Liz Reyer**
 Committee: **Judiciary Finance And Civil Law**
 Date Completed: **3/2/2023 11:47:40 AM**
 Agency: **Employment and Economic Dvlpmt**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		
		X

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State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Total	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Biennial Total			(2,256)			(2,256)

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 2/28/2023 2:59:56 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
Restrict Misc. Special Revenue	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Total	-	(1,128)	(1,128)	(1,128)	(1,128)	(1,128)
Biennial Total			(2,256)			(2,256)
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue	-	1,128	1,128	1,128	1,128	1,128
Total	-	1,128	1,128	1,128	1,128	1,128
Biennial Total			2,256			2,256

Bill Description

This bill amends Section 1. Minnesota Statutes 2022, section 357.021, subdivision 1a, changing the way that civil marriage license and dissolution fees are distributed. The amount of the fee distributed to the commissioner of employment and economic development (DEED) for the Minnesota Family Resiliency Partnership under section 116L.96 for each dissolution increases from \$30 to \$60.

In similar fashion, the special revenue fund appropriated to DEED from each civil marriage license fee increases from \$25 to \$55 as amended by Sec. 2, Minnesota Statutes 2022, section 517.08, subdivision 1c.

The fiscal impact of this bill is a net increase of \$1,128,480 (rounded to 1,128) in the Fiscal Impact table above.

Assumptions

MMB calculated five-year averages for civil marriage licenses (22,730) and dissolutions (14,886). DEED assumes that the number of marriage licenses will remain similar to the five-year averages in SFY24 and following.

Expenditure and/or Revenue Formula

22,730 x \$30 (proposed increase to marriage license fee) = \$681,900 additional revenue

14,886 x \$30 (proposed increase to dissolution actions fee) = \$446,580 additional revenue

Total increase = \$1,128,480.

Long-Term Fiscal Considerations

This revenue stream should be steady and consistent provided distribution of the fees remain the same or similar.

Local Fiscal Impact

None.

References/Sources

State of MN, House of Representatives HF No420. 11/7/22 Revisor KLL/LN 23-00486

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