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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3860

02/15/2024 Authored by Curran, Becker-Finn and Feist
The bill was read for the first time and referred to the Committee on Judiciary Finance and Civil Law

1.1 A bill for an act
1.2 relating to civil law; creating the State Board of Civil Legal Aid; amending
1.3 Minnesota Statutes 2022, sections 480.24, subdivisions 2, 4; 480.242; 480.243;
1.4 proposing coding for new law in Minnesota Statutes, chapter 480.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 480.24, subdivision 2, is amended to read:

1.7 Subd. 2. Eligible client. "Eligible client" means an individual that is financially unable
1.8 to afford legal assistance, as determined by a recipient on the basis of eligibility guidelines
1.9 established by the ~~supreme court~~ State Board of Civil Legal Aid pursuant to section 480.243,
1.10 subdivision 1.

1.11 Sec. 2. Minnesota Statutes 2022, section 480.24, subdivision 4, is amended to read:

1.12 Subd. 4. Recipient. "Recipient" means a qualified legal services program that receives
1.13 funds ~~from the supreme court~~ pursuant to section 480.242 to provide legal services to eligible
1.14 clients.

1.15 Sec. 3. Minnesota Statutes 2022, section 480.242, is amended to read:

1.16 480.242 DISTRIBUTION OF CIVIL LEGAL SERVICES FUNDS TO QUALIFIED
1.17 LEGAL SERVICES PROGRAMS.

1.18 Subdivision 1. Advisory committee. The ~~supreme court~~ State Board of Civil Legal Aid
1.19 shall establish an advisory committee to assist it in performing its responsibilities under
1.20 sections 480.24 to 480.244. The advisory committee ~~shall~~ may consist of no more than 11
1.21 members ~~appointed by the supreme court including seven~~ a majority of whom shall be

2.1 attorneys-at-law who are well acquainted with the provision of legal services in civil matters,
 2.2 ~~two~~ and the remaining members shall be divided between public members who are not
 2.3 attorneys and ~~two persons~~ members who would qualify as eligible clients. ~~Four of~~ The
 2.4 attorney-at-law members shall be nominated by the Minnesota State Bar Association in the
 2.5 manner determined by it, ~~and three of the attorney-at-law members shall be nominated by~~
 2.6 ~~the programs in Minnesota providing legal services in civil matters on July 1, 1982, with~~
 2.7 ~~funds provided by the federal Legal Services Corporation in the manner determined by~~
 2.8 ~~them.~~ In making the appointments of the attorney-at-law members, the ~~supreme court~~ State
 2.9 Board of Civil Legal Aid shall not be bound by the nominations prescribed by this section.
 2.10 In making appointments to the advisory committee, the ~~supreme court~~ State Board of Civil
 2.11 Legal Aid shall ensure that urban and rural areas of the state are represented. ~~The supreme~~
 2.12 ~~court shall adopt by rule policies and procedures for the operation of the advisory committee~~
 2.13 ~~including, but not limited to, policies and procedures governing membership terms, removal~~
 2.14 ~~of members, and the filling of membership vacancies.~~

2.15 Subd. 2. **Review of applications; selection of recipients.** At times and in accordance
 2.16 with any procedures ~~as the supreme court adopts in the form of court rules~~ adopted by the
 2.17 State Board of Civil Aid, applications for the expenditure of civil legal services funds shall
 2.18 be accepted from qualified legal services programs or from local government agencies and
 2.19 nonprofit organizations seeking to establish qualified alternative dispute resolution programs.
 2.20 The applications shall be reviewed by the advisory committee, and the advisory committee,
 2.21 subject to review by the ~~supreme court~~ State Board of Civil Legal Aid, shall distribute the
 2.22 funds available for this expenditure to qualified legal services programs or to qualified
 2.23 alternative dispute resolution programs submitting applications. The funds shall be distributed
 2.24 in accordance with the following formula:

2.25 (a) Eighty-five percent of the funds distributed shall be distributed to qualified legal
 2.26 services programs that have demonstrated an ability as of July 1, 1982, to provide legal
 2.27 services to persons unable to afford private counsel with funds provided by the federal Legal
 2.28 Services Corporation. The allocation of funds among the programs selected shall be based
 2.29 upon the number of persons with incomes below the poverty level established by the United
 2.30 States Census Bureau who reside in the geographical area served by each program, as
 2.31 determined by the ~~supreme court~~ State Board of Civil Legal Aid on the basis of the most
 2.32 recent national census. All funds distributed pursuant to this clause shall be used for the
 2.33 provision of legal services in civil and farm legal assistance matters as prioritized by program
 2.34 boards of directors to eligible clients.

3.1 (b) Fifteen percent of the funds distributed may be distributed (1) to other qualified legal
3.2 services programs for the provision of legal services in civil matters to eligible clients,
3.3 including programs which organize members of the private bar to perform services and
3.4 programs for qualified alternative dispute resolution, (2) to programs for training mediators
3.5 operated by nonprofit alternative dispute resolution corporations, or (3) to qualified legal
3.6 services programs to provide family farm legal assistance for financially distressed state
3.7 farmers. The family farm legal assistance must be directed at farm financial problems
3.8 including, but not limited to, liquidation of farm property including bankruptcy, farm
3.9 foreclosure, repossession of farm assets, restructuring or discharge of farm debt, farm credit
3.10 and general debtor-creditor relations, and tax considerations. If all the funds to be distributed
3.11 pursuant to this clause cannot be distributed because of insufficient acceptable applications,
3.12 the remaining funds shall be distributed pursuant to clause (a).

3.13 A person is eligible for legal assistance under this section if the person is an eligible
3.14 client as defined in section 480.24, subdivision 2, or:

3.15 (1) is a state resident;

3.16 (2) is or has been a farmer or a family shareholder of a family farm corporation within
3.17 the preceding 24 months;

3.18 (3) has a debt-to-asset ratio greater than 50 percent; and

3.19 (4) satisfies the income eligibility guidelines established under section 480.243,
3.20 subdivision 1.

3.21 Qualifying farmers and small business operators whose bank loans are held by the Federal
3.22 Deposit Insurance Corporation are eligible for legal assistance under this section.

3.23 Subd. 3. **Timing of distribution of funds.** The funds to be distributed to recipients
3.24 selected in accordance with the provisions of subdivision 2 shall be distributed by the
3.25 ~~supreme court~~ State Board of Civil Legal Aid no less than twice per calendar year.

3.26 Subd. 5. **Permissible family farm legal assistance activities.** Qualified legal services
3.27 programs that receive funds under the provisions of subdivision 2 may provide the following
3.28 types of farm legal assistance activities:

3.29 (1) legal backup and research support to attorneys throughout the state who represent
3.30 financially distressed farmers;

3.31 (2) direct legal advice and representation to eligible farmers in the most effective and
3.32 efficient manner, giving special emphasis to enforcement of legal rights affecting large
3.33 numbers of farmers;

4.1 (3) legal information to individual farmers;

4.2 (4) general farm related legal education and training to farmers, private attorneys, legal
4.3 services staff, state and local officials, state-supported farm management advisors, and the
4.4 public;

4.5 (5) an incoming, statewide, toll-free telephone line to provide the advice and referral
4.6 described in this subdivision; and

4.7 (6) legal advice and representation to eligible persons whose bank loans are held by the
4.8 Federal Deposit Insurance Corporation.

4.9 Sec. 4. Minnesota Statutes 2022, section 480.243, is amended to read:

4.10 **480.243 CLIENT ELIGIBILITY; RECEIPT OF OTHER FUNDS.**

4.11 Subdivision 1. **Committee eligibility guidelines.** The ~~supreme court~~ State Board of
4.12 Civil Legal Aid, with the advice of the advisory committee, shall establish guidelines ~~in the~~
4.13 ~~form of court rules~~ to be used by recipients to determine the eligibility of individuals and
4.14 organizations for legal services provided with funds received pursuant to section 480.242.
4.15 The guidelines shall be designed solely to assist recipients in determining whether an
4.16 individual or organization is able to afford or secure legal assistance from private counsel
4.17 with respect to the particular matter for which assistance is requested.

4.18 Subd. 2. **Receipt of other funds by recipients.** Nothing in this section shall be construed
4.19 to prohibit a recipient from soliciting and accepting other public or private funds to be used
4.20 for the provision of legal services in civil matters to persons who are not eligible clients,
4.21 and the guidelines established pursuant to subdivision 1 shall not apply to the use of other
4.22 funds.

4.23 Sec. 5. **[480.246] STATE BOARD OF CIVIL LEGAL AID.**

4.24 Subdivision 1. **Structure; membership.** (a) The State Board of Civil Legal Aid is
4.25 established in the judicial branch. The board is not subject to the administrative control of
4.26 the judiciary. The State Board of Civil Legal Aid shall consist of nine members including:

4.27 (1) four members appointed by the supreme court;

4.28 (2) four members appointed by the governor; and

4.29 (3) one member appointed by the Minnesota State Bar Association.

4.30 (b) All candidates shall demonstrate an interest in maintaining a high quality civil legal
4.31 service. The appointing authorities may not appoint an active judge to be a member of the

5.1 State Board of Civil Legal Aid, but may appoint a retired judge. The terms, compensation,
5.2 and removal of members shall be as provided in section 15.0575. The members shall elect
5.3 the chair from among the membership for a term of two years.

5.4 Subd. 2. **Duties and responsibilities.** (a) The State Board of Civil Legal Aid shall work
5.5 to ensure access to high quality civil legal services in every Minnesota county.

5.6 (b) The board shall:

5.7 (1) approve and recommend to the legislature a budget for the board and the civil legal
5.8 services grants distributed subject to section 480.242;

5.9 (2) establish procedures for distribution of funding under section 480.242; and

5.10 (3) establish civil program standards, administrative policies, or procedures necessary
5.11 to ensure quality advocacy for persons unable to afford private counsel.

5.12 (c) The board may propose statutory changes to the legislature and rule changes to the
5.13 supreme court that are in the best interests of persons unable to afford private counsel.

5.14 (d) The board shall not interfere with the discretion, judgment, or zealous advocacy of
5.15 legal counsel in their handling of individual cases as a part of the judicial branch of
5.16 government.

5.17 Subd. 3. **State civil legal aid program administrator.** The State Board of Civil Legal
5.18 Aid shall appoint a program administrator who serves at the pleasure of the board. The
5.19 program administrator is not required to be licensed to practice law. The program
5.20 administrator shall attend all meetings of the board, but may not vote, and shall:

5.21 (1) carry out all administrative functions necessary for the efficient and effective operation
5.22 of the board and the civil legal aid delivery system, including but not limited to hiring,
5.23 supervising, and disciplining program staff;

5.24 (2) implement, as necessary, resolutions, standards, rules, regulations, and policies of
5.25 the board;

5.26 (3) keep the board fully advised as to its financial condition, and prepare and submit to
5.27 the board the annual program and State Board of Civil Legal Aid budget and other financial
5.28 information as requested by the board;

5.29 (4) recommend to the board the adoption of rules and regulations necessary for the
5.30 efficient operation of the board and the civil legal aid program; and

5.31 (5) perform other duties prescribed by the board.

6.1 Subd. 4. **Administration.** The board may contract with the judicial branch or other
6.2 judicial branch entities for administrative support services for the fiscal years following
6.3 fiscal year 2024.

6.4 Subd. 5. **Access to records.** Access to records of the State Board of Civil Legal Aid is
6.5 subject to the Rules of Public Access for Records of the Judicial Branch. The State Board
6.6 of Civil Legal Aid may propose amendments of the rules for supreme court consideration.