

*This opinion is nonprecedential except as provided by
Minn. R. Civ. App. P. 136.01, subd. 1(c).*

**STATE OF MINNESOTA
IN COURT OF APPEALS
A22-0409**

Troy K. Scheffler,
Appellant,

vs.

Costco Wholesale Corporation,
Respondent.

**Filed September 6, 2022
Reversed and remanded
Larson, Judge**

Ramsey County District Court
File No. 62-CV-22-1081

Troy K. Scheffler, Merrifield, Minnesota (pro se appellant)

Andrew L. Marshall, Bassford Remele, Minneapolis, Minnesota (for respondent)

Considered and decided by Johnson, Presiding Judge; Smith, Tracy M., Judge; and
Larson, Judge.

NONPRECEDENTIAL OPINION

LARSON, Judge

Appellant Troy K. Scheffler appeals the district court's decision to deny his application to proceed in forma pauperis (IFP). Because the district court abused its discretion when it failed to determine that Scheffler receives need-based public assistance and qualifies to proceed IFP, we reverse and remand.

FACTS

Scheffler sued respondent Costco Wholesale Corporation, alleging common-law false imprisonment, assault, and discrimination based on his disability. In March 2022, Scheffler filed an IFP application that included an affidavit and attachment. Scheffler's affidavit explained that he could not "support [his] family and [himself] and also pay or give security for costs." The affidavit also stated that Scheffler receives means-tested public assistance through Minnesota's Medical Assistance for Employed Persons with Disabilities (MA-EPD) program, which reimburses his Medicare part B premiums. Scheffler attached one electronic funds transfer (EFT) receipt from Crow Wing County Community Services showing that he received a \$170.10 reimbursement for "MED PART B" in March 2022.

The district court denied the IFP application. The district court did not find the action frivolous. Instead, the district court determined that Scheffler failed to "provide[] the court with enough information to make a finding of indigency." The district court stated that it would keep the record open to allow Scheffler "to submit addition[al] evidence to the court for consideration of the application." According to the district court's register of actions, the district court included form IFP102 and the Ramsey County Civil Bench Guidelines with its letter directing Scheffler to "provide the court with new information." The district court did not explain how Scheffler's affidavit and attachment failed to satisfy the qualifying condition that Scheffler receive need-based public assistance. Scheffler did

not provide additional information to the district court. Scheffler now appeals the district court's decision to deny his IFP application.¹

DECISION

We review a district court's decision to deny IFP status for an abuse of discretion. *Cnty. Hous. Servs. – Park Towers, Inc. v. Gay*, 954 N.W.2d 836, 840 (Minn. App. 2020), *rev. denied* (Mar. 16, 2021). “A district court abuses its discretion if its decision is against logic and the facts in the record.” *State v. Scheffler*, 932 N.W.2d 57, 60 (Minn. App. 2019).

A party who demonstrates an inability to pay filing fees and civil-litigation costs may proceed “without prepayment” when granted IFP status. Minn. Stat. § 563.01, subd. 3(a) (2020). To qualify for IFP status, a district court must first find the action nonfrivolous, which it did here. *Id.*, subd. 3(b) (2020). Second, the party must submit an affidavit to the district court showing the party meets the eligibility requirements outlined in statute. Minn. Stat. § 563.01, subd. 3 (2020). The affidavit must be “substantially in the language required by this subdivision” and “not found by the court to be untrue.” *Id.*, subd. 3(b). As relevant here, a party may demonstrate eligibility by showing the party “is receiving public assistance described in section 550.37, subdivision 14.” *Id.* Under Minn. Stat. § 550.37, subd. 14 (2020), “payment of Medicare part B premiums” demonstrates that a party receives need-based public assistance. While MA-EPD is not generally a need-based program, *see* Minn. Stat. § 256B.057, subd. 9(a)-(d) (2020), individuals enrolled in

¹ Costco did not file a brief, and we ordered the appeal to proceed per Minn. R. Civ. App. P. 142.03.

MA-EPD may receive Medicare part B premium reimbursement only if their income does not exceed 200% of the federal poverty line, Minn. Stat. § 256B.057, subd. 9(j) (2020).

We agree with Scheffler that his affidavit demonstrates that he receives qualifying need-based public assistance through MA-EPD. Although Scheffler did not fully complete form IFP102,² he substantially used the language Minnesota law requires. *See* Minn. Stat. § 563.01, subd. 3(b) (2020). Further, form IFP102 directs an affiant to attach evidence showing the affiant receives public assistance, such as “[a] cancelled check from agency.” The EFT receipt Scheffler attached to his affidavit showing Crow Wing County paid Scheffler \$170.10 for “MED PART B” satisfies that requirement. Finally, Scheffler’s affidavit and attachment closely mirror Scheffler’s fee-waiver application in a prior case. *Scheffler*, 932 N.W.2d at 61 (describing affidavit and attachment showing Scheffler received medical benefits and an “Energy Assistance grant”). There, we concluded the district court abused its discretion when it erroneously determined “Scheffler [was] not indigent” under Minn. Stat. § 609A.03, subd. 1 (2018). *Id.*

For these reasons, we conclude Scheffler meets the requirements to proceed IFP and the district court abused its discretion when it concluded otherwise. We reverse and remand to the district court with instructions to grant Scheffler’s IFP application.

Reversed and remanded.

² Scheffler’s application tracked the beginning of form IFP102. But rather than provide detailed financial and household information, Scheffler’s affidavit asserted, “Due to receiving public assistance described under 550.37, sub. 14, ‘the court shall allow the person to proceed in forma pauperis if the affidavit is substantially in the language required by this subdivision’ [563.01 subd.(b)]”