

Fiscal Estimate Narratives

LFB 6/29/2011

LRB Number 11-1461/1	Introduction Number AB-0106	Estimate Type Supplemental
Description Increasing the jurisdictional amount in and the filing fee for small claims actions		

Assumptions Used in Arriving at Fiscal Estimate

Long-Range Fiscal Implications

Assembly Bill 106 - Increase Small Claims Jurisdictional Limit and Filing Fee

Current Law

Prior to the enactment of 2011 Act 32 (the 2011-13 biennial budget act), small claims actions were civil actions where the amount claimed was \$5,000 or less, if the actions or proceedings are: (a) for money judgments only, except for cognovit judgments (default judgments on agreements where the debtor accepted liability); (b) for garnishment or most attachments; or (c) to enforce a lien upon personality (movable assets). Further, the maximum limit for claims against the state payable by the Claims Board is established by the small claims' maximum, as well as attorney fees for the prevailing party in civil actions involving money or property judgments. [Under Act 32, the jurisdictional limit was increased to \$10,000 except for third party complaints, personal injury claims or tart claims.]

The cost to file a small claims action is \$94.50, including a \$22 filing fee, \$51 court support services surcharge, and \$21.50 justice information surcharge. The cost to file a civil action where the amount is \$10,001 or more (except for third party complaints, personal injury claims or tart claims, which limit remains at \$5,001) is \$265.50, including a \$75 filing fee, \$169 court support services surcharge, and \$21.50 justice information surcharge.

Assembly Bill 106

Assembly Bill 106 (introduced prior to enactment of Act 32) would increase the jurisdictional limit in all small claims cases from \$5,000 or less to \$10,000 or less. Unlike Act 32, however, the bill would also apply to small claims third party complaints, personal injury claims and tort actions. Further, the bill would increase the filing fee for small claims actions from \$22 to \$44. Of the filing fee, \$31.20 would be retained by the counties, \$11.80 would be deposited for the Consolidated Court Automation Programs, and \$1 would be deposited to the general fund. Provisions of the bill would become effective on January 1, 2012, and first apply to actions commend or claims made on that date.

As previously noted, Act 32 included a provision that increased the small claims jurisdictional amount from \$5,000 to \$10,000 for most small claims. However, unlike AB 106, Act 32 did not increase the filing fee for small claims actions.

Fiscal Effect

Increasing the jurisdictional limit for small claims actions shifts cases from large claims cases to small claims cases. Since civil action filings are not classified by specific dollar amounts, and many large claims filings do not identify amounts sought, it is not possible to predict the amount of cases that will shift. Separately, increasing the limit will increase the amount of state payments associated with claims paid by the Claims Board, which do not require separate legislation.

Under the current \$94.50 and \$265.50 filing costs, each case shifted from large claims to small claims will result in a reduction of -\$171 in total revenue to the state and the counties. The bill would increase the filing fee for small claims actions from \$22 to \$44. Of the increased fee, an additional \$21 would be retained by the counties and \$1 would be deposited to the general fund. Under AB 106, each case shifted from large claims to small claims would result in a reduction of -\$149 in total revenue. The below table identifies the fee amounts for small claims and large claims both under current law and as proposed in the bill, and where the money is deposited.

Current Law

		<u>General Fund</u>	<u>County</u>	<u>CCAP</u>	<u>Other*</u>
Small Claims					
Filing fee	\$22.00	\$0.00	\$10.20	\$11.80	\$0.00
Court Support Services Surcharge (CSSS)	51.00	51.00	0.00	0.00	0.00
Justice Information Surcharge	<u>21.50</u>	<u>1.00</u>	<u>0.00</u>	<u>6.00</u>	<u>14.50</u>
Total	\$94.50	\$52.00	\$10.20	\$17.80	\$14.50
Large Claims					
Filing fee	\$75.00	\$30.00	\$30.00	\$15.00	\$0.00
CSSS	169.00	169.00	0.00	0.00	0.00
Justice Information Surcharge	<u>21.50</u>	<u>1.00</u>	<u>0.00</u>	<u>6.00</u>	<u>14.50</u>
Total	\$265.50	\$200.00	\$30.00	\$21.00	\$14.50
Difference between small claims and large claims revenue -- Current Law	-\$171.00	-\$148.00	-\$19.80	-\$3.20	\$0.00

*Currently, revenue from the justice information surcharge is dispensed as follows: (a) \$14.50 to DOA for allocation through the justice information surcharge appropriation to various programs; (b) \$6 to CCAP; and (c) \$1 to the general fund.

AB 106

		<u>General Fund</u>	<u>County</u>	<u>CCAP</u>	<u>Other</u>
Small Claims					
Filing fee	\$44.00	\$1.00	\$31.20	\$11.80	\$0.00
CSSS	51.00	51.00	0.00	0.00	0.00
Justice Information Surcharge	<u>21.50</u>	<u>1.00</u>	<u>0.00</u>	<u>6.00</u>	<u>14.50</u>
Total	\$116.50	\$53.00	\$31.20	\$17.80	\$14.50
Large Claims					
Filing fee	\$75.00	\$30.00	\$30.00	\$15.00	\$0.00
CSSS	169.00	169.00	0.00	0.00	0.00
Justice Information Surcharge	<u>21.50</u>	<u>1.00</u>	<u>0.00</u>	<u>6.00</u>	<u>14.50</u>
Total	\$265.50	\$200.00	\$30.00	\$21.00	\$14.50
Difference between small claims and large claims revenue -- AB 106	-\$149.00	-\$147.00	\$1.20	-\$3.20	\$0.00