

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7430
BILL NUMBER: SB 365

DATE PREPARED: Jan 5, 1999
BILL AMENDED:

SUBJECT: Small claims cases.

FISCAL ANALYST: Susan Preble
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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a corporation, collection agency, sole proprietorship, or partnership to designate a full time employee who is not an attorney to appear on behalf of the corporation, organization, sole proprietorship, or partnership in all civil cases filed on a small claims docket of a circuit, superior, or county court.

Effective Date: July 1, 1999.

Explanation of State Expenditures:

Explanation of State Revenues: Passage of this bill will increase revenue to the state if more small claims actions are filed due to the elimination of the requirement that certain corporations hire legal counsel. Jurisdictional amounts less than \$3,000 are filed as small claims actions for a filing fee of \$35, except in Marion County. Of this fee, 70% or \$70 is deposited in the state General Fund if the case is filed in a trial court. If the action is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: Allowing all types of corporations to appear in small claims courts without an attorney may increase the caseloads of courts which hear small claims actions. The expenses of the city and town courts are paid by the general fund of the city or town in which the court is located.

Explanation of Local Revenues: Passage of this bill will increase local revenue if more corporations file small claims actions due to the elimination of the requirement that they hire legal counsel.

Except in Marion County, the filing fee for small claims actions (amounts in controversy of less than \$3,000) is \$35. If the small claim action is filed in a court of record, the county general fund receives \$27, or 27%. The other \$3, or 3%, is deposited in the general fund of the cities and towns maintaining a law enforcement

agency that prosecutes at least 50% of its ordinance violations in a circuit, superior, county, or municipal court located in the county. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund.

In Marion County, the small claims filing fee is \$50.50 (\$5 township docket fee + \$31.50 [45% of the \$70 infraction or ordinance violation costs fee effective July 1, 1997] + \$6 service of process by mail fee + \$8 service of process by a constable). All of the \$50.50 small claims filing fee is deposited into the township general funds or paid to elected constables and their deputies. No portion of the \$50.50 small claims filing fee is deposited into the state or county general funds.

In 1997, 173,497 small claims actions were filed in Indiana's circuit, and superior courts, 26,166 in the county and municipal courts, 504 in city and town courts, and 78,991 in Marion County's small claims courts, for a total of 279,158.

State Agencies Affected:

Local Agencies Affected: Small claims courts.

Information Sources: IC 33-19-7 (concerning civil filing fees and their distribution); IC 33-11.6-4-15; IC 33-19-5-2; 1997 Indiana Judicial Report (Vol. I, p. 53).