

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

301 State House
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FISCAL IMPACT STATEMENT

LS 6021

BILL NUMBER: HB 1021

DATE PREPARED: Nov 13, 1999

BILL AMENDED:

SUBJECT: Small claims jurisdictional limitation.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill increases the jurisdictional amount of Marion County small claims courts from \$6,000 to \$10,000. It also increases the jurisdictional amount of other small claims courts in Indiana from \$3,000 to \$10,000.

Effective Date: July 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues: *Impact on Marion County:* This bill will decrease revenue to the state and county general funds if small claims actions which are currently filed in Marion County's courts of record are filed in the Marion County Township Small Claims Courts (now called the Marion County Small Claims Court) instead. In 1984, Marion County's small claims jurisdiction was \$2,000. This amount was increased to \$3,000 in 1988 and to \$6,000 in 1990.

Currently, all civil actions filed in Marion County in which the debt or damage claimed is in excess of \$6,000 are filed as civil plenary actions for a filing fee of \$100. Of this fee, 70% or \$70 is deposited in the State General Fund if the case is filed in a trial court.

The small claims filing fee for actions to collect debts of \$6,000 or less in Marion County 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). No portion of the \$50.50 small claims filing fee goes to the State General Fund.

Impact on all other counties: For counties other than Marion, the change in the threshold from \$3,000 to \$10,000 will increase the caseload of all other small claims courts and will decrease revenue to the state and county general funds if small claims actions which are currently filed in all other courts of record are filed

in small claims courts instead. Currently, in all counties except for Marion, all civil actions in which the debt or damage claimed is in excess of \$3,000 are filed as civil plenary actions for a filing fee of \$100. Of this fee, 70% or \$70 is deposited in the State General Fund if the case is filed in a trial court.

The small claims filing fee for actions to collect debts of \$3,000 or less is \$35 (except in Lake County City Courts, where the fee is \$22). Of this fee, 70% or \$70 is deposited in the state general fund if the case is filed in a trial court.

Explanation of Local Expenditures: The change in the threshold to \$10,000 for small claims actions will increase the caseload of the Marion County Township Smalls Claims Courts. There are nine townships in Marion County. The small claims court system in Marion County consists of nine divisions based on the township lines. The small claims court judges are elected by the voters within the township in which the division of the court is located. The judges serve four terms. The expenses of the small claims courts in Marion County are paid by each division's respective townships through budget appropriations.

Explanation of Local Revenues: *Impact on Marion County:* Currently, civil cases for amounts over \$6,000 are filed in Marion County courts of record as civil plenary actions for a filing fee of \$100 of which 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.

This bill would decrease the number of civil plenary actions and increase the number of small claims filings in the township courts at the lower filing fee of \$50.50. 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 1998, a total of 77,915 small claims actions were filed in the small claims court located in Marion County, and a total of 11,733 civil plenary actions were filed in the Marion County courts of record. No information is available regarding the number of debt collection cases for amounts between \$6,000 and \$10,000.

Impact on all other counties: In all other counties combined, a total of 209,913 small claims actions were filed in courts with small claims jurisdiction in 1998. A total of 71,602 civil plenary actions were filed in courts of record in 1998. No information is available regarding the number of cases for amounts between \$3,000 and \$10,000.

State Agencies Affected:

Local Agencies Affected: Marion County Small Claims Courts; all other courts with small claims jurisdiction.

Information Sources: IC 33-19-7 (concerning civil filing fees and their distribution); IC 33-11.6-4-15; IC 33-19-5-2; 1998 Indiana Judicial Report (Vol. I, p.74;Vol. II, p. 71).