

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

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 6929
BILL NUMBER: SB 346

DATE PREPARED: Dec 29, 1999
BILL AMENDED:

SUBJECT: Small claims court jurisdiction.

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

IMPACT: State & Local

Summary of Legislation: This bill increases the jurisdictional limit of the Marion County small claims court from \$6,000 to \$10,000 for actions founded on contract, other than actions founded on a contract between a landlord and a tenant.

Effective Date: July 1, 2000.

Explanation of State Expenditures:

Explanation of State Revenues: There could be a decrease in revenue to the state and county general funds if certain collection cases which are currently filed in Marion County's courts of record are filed in 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, actions to collect debts 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 filing fee for actions to collect debts of \$6,000 or less in Marion County Small Claims Court 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.

Explanation of Local Expenditures: The threshold increase to \$10,000 for debt collection actions will increase the caseload of the Marion County Small Claims Court. 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: 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.

There could be a decrease in 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 CY 1998, a total of 77,915 small claims actions were filed in the Marion County small claims courts, 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, nor what portion of the small claims actions are founded on contracts between landlords and tenants.

State Agencies Affected:

Local Agencies Affected: Marion County 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; 1998 Indiana Judicial Report (Vol. I, p. 74, Vol. II, p. 72).