

**SB**

**272**

**SFIN**

**FILE**

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 272

Revision Date:

Dept. Affected: Alaska Court System

Title: An Act relating to small claims actions

BRU: Trial Courts

Component:

Sponsor: Sens. Torgerson & Taylor

Requestor:

COMPONENT SERIAL NO. 788

## Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	35.5	35.5	33.5	35.5	35.5	35.5
TRAVEL	30.1	18.6	19.6	19.6	18.6	19.6
CONTRACTUAL	0.8					
SUPPLIES	1.5					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>67.9</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>

CAPITAL EXPENDITURES

CHANGE IN REVENUES (

## Fund Source

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	67.9	55.1	55.1	55.1	55.1	55.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
<b>TOTAL</b>	<b>67.9</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>	<b>55.1</b>

Estimate of any current year (FY 96) cost: None

## Positions

Full-Time	1.0	1.0	1.0	1.0	1.0	1.0
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel

Agency: Alaska Court System

Phone: 284-8228

Date: 03/27/96

Approved by: Arthur H. Snowden, II, Administrative Director

Agency: Alaska Court System

Date: 03/27/96

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12:12 PM

Rev 1/96

Page 1 of 3

**Alaska Court System**  
**Fiscal Analysis**  
**SB 272**

SB 272 makes substantial changes to the statutes and court rules governing small claims jurisdiction.

Currently, small claims procedures can be elected in cases claiming \$5,000 or less; this limit was enacted in 1986. Sections 1 and 2 of SB 272 reflect an increase in this limit to \$10,000. According to federal figures, the consumer price index has increased only 32.86 percent since 1986; when adjusted to 1996 dollars, the \$5,000 limit should thus be approximately \$6,650.

The primary effect of the remainder of SB 272 is to make it easier and cheaper for collection agencies to use small claims procedures to litigate commercial claims assigned to them by the real party in interest. The bill does this by removing the requirement that assignees be represented by an attorney in small claims proceedings (section 4), by allowing small claims judgments to be entered without a hearing after a summary judgment motion has been filed (section 5), and by allowing service of small claims process on out-of-state defendants in all cases, not just cases involving landlord-tenant disputes or motor vehicles (section 6).

Contrary to popular belief, cases proceeding under small claims rules are more expensive for the court system to handle than are small cases subject to formal rules. Small claims procedures exist to lessen the burden on private citizens, not to lessen the burden on the courts. Small claims cases require a substantially larger per-case commitment of clerical resources, because court clerks are required to provide procedural assistance to litigants who are proceeding without the benefit of an attorney. A large percentage of small claims cases result in a trial, however brief; very few cases under \$10,000 proceeding under formal rules would result in a trial. Moreover, unlike small claims litigants, most litigants subject to formal rules will consult an attorney before filing a case, and thus the court system never sees many cases which are settled or otherwise disposed of by the lawyer prior to filing.

At court locations where there is a superior court or district court judge, the caseload shift (of claims in the \$5,000 to \$10,000 range, from district court to small claims court) will not have a severe impact. However, at court locations served only by a magistrate, there will be a substantial increase in cases filed and trials resulting from the new \$10,000 limit. This will necessitate additional clerical resources at those locations.

More than half the magistrates employed by the court system are not attorneys. The dramatic increase in jurisdictional limit, the use of summary judgment motions for disposition prior to trial, and the use of confusing long arm jurisdiction rules for out-of-state defendants will substantially increase the complexity of the caseload. This fiscal note reflects increased costs for magistrate training, as well as revision of the forms and informational literature provided to small claims litigants.

**Alaska Court System**

**Fiscal Analysis**

**SB 272**

**Personal Services**

<u>Position</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>
Court Clerk II, range 10A, PFT, 12 months, Anchorage/Statewide	\$24,012	\$11,475	\$35,487

**Travel**

**Committee Meetings - (one-time cost)** 10,570

*This legislation will require revision of existing small claims rules of procedure, forms, informational literature for the litigants and the clerk's manual. The court system will convene special meetings in Anchorage of the Civil Rules Committee, the standing Forms Committee and Clerk's Manual Committee to revise rules, forms, clerks instructional materials and informational literature. The travel costs are for committee members stationed outside Anchorage.*

**Regional Training Conferences -** 19,550

*Conferences will be held in Anchorage, Fairbanks, Kotzebue, Bethel and Juneau. The conferences will be attended by all magistrates and by administrative office training staff.*

**Contractual (one-time cost)**

Postage for mailing forms, manuals and informational literature. 750

**Supplies (one-time cost)**

*Paper, dividers and notebooks training materials for the regional conferences. Printing of forms, manuals and informational literature.* 1,500

**Estimated Total Cost** \$67,857

# FISCAL NOTE

No. 1

Bill Version: CSB272(JUD)

BILL N (S) Publish Date: 3-29-96

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

Revision Date: 03/28/96

Title: An Act relating to small claims actions

Dept. Affected: Alaska Court System

BRU: Trial Courts

Component: \_\_\_\_\_

Sponsor: Sens. Torgerson & Taylor

Requestor: \_\_\_\_\_

COMPONENT SERIAL NO. 768

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES	9.5	9.5	9.5	9.5	9.5	9.5
TRAVEL	23.5	15.6	15.6	15.6	15.6	15.6
CONTRACTUAL	0.8					
SUPPLIES	0.9					
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	34.7	25.1	25.1	25.1	25.1	25.1

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES (						
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Fund Source

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	34.7	25.1	25.1	25.1	25.1	25.1
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other						
TOTAL	34.7	25.1	25.1	25.1	25.1	25.1

Estimate of any current year (FY 96) cost: None

Positions

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached analysis.

Prepared by: C. S. Christensen III, Staff Counsel

Agency: Alaska Court System

Phone: 264-8228

Date: 03/28/96

Approved by: Arthur H. Snowden, II, Administrative Director

Agency: Alaska Court System

Date: 03/28/96

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Alaska Court System  
Fiscal Analysis  
CSSB 272 (JUD)

CSSB 272 (JUD) makes several changes to the statutes and court rules governing small claims jurisdiction.

Currently, small claims procedures can be elected in cases claiming \$5,000 or less; this limit was enacted in 1986. Sections 1 and 2 of CSSB 272 (JUD) reflect an increase in this limit to \$7,500. According to federal figures, the consumer price index has increased 32.86 percent since 1986; if adjusted upward to reflect 1996 dollars, the \$5,000 limit should be approximately \$6,650. Thus, a new limit of \$7,500 represents an actual increase in small claims jurisdiction above and beyond an inflation adjustment.

A second major change to the small claims rules allows small claims judgments to be entered without a hearing after a summary judgment motion has been filed

Contrary to popular belief, cases proceeding under small claims rules are more expensive for the court system to handle than are small cases subject to formal rules. Small claims procedures exist to lessen the burden on private citizens, not to lessen the burden on the courts. Small claims cases require a substantially larger per-case commitment of clerical resources, because court clerks are required to provide procedural assistance to litigants who are proceeding without the benefit of an attorney. A large percentage of small claims cases result in a trial, however brief; very few cases under \$7,500 proceeding under formal rules would result in a trial. Moreover, unlike small claims litigants, most litigants subject to formal rules will consult an attorney before filing a case, and thus the court system never sees many cases which are settled or otherwise disposed of by the lawyer prior to filing.

At court locations where there is a superior court or district court judge, the caseload shift (of claims in the \$5,000 to \$7,500 range, from district court to small claims court) will not have a significant impact. However, at court locations served only by a magistrate, there will be a definite increase in cases filed and trials resulting from the new \$7,500 limit. This will necessitate additional clerical resources at those locations.

More than half the magistrates employed by the court system are not attorneys. The increase in jurisdictional limit and the use of summary judgment motions for disposition prior to trial will increase the complexity of the caseload. This fiscal note reflects increased costs for magistrate training, as well as revision of the forms and informational literature provided to small claims litigants.

Alaska Court System  
Fiscal Analysis  
CSSB 272 (JUD)

Personal Services

Position

Total

Temporary hires to assist courts statewide

\$9,500

Travel

Committee Meetings - (one-time cost)

7,900

*This legislation will require revision of existing small claims rules of procedure, forms, informational literature for the litigants and the clerk's manual. The court system will convene special meetings in Anchorage of the Civil Rules Committee, the standing Forms Committee and Clerk's Manual Committee to revise rules, forms, clerks instructional materials and informational literature. The travel costs are for committee members stationed outside Anchorage.*

Regional Training Conferences -

15,600

*Conferences will be held in Anchorage, Fairbanks, Kotzebue, Bethel and Juneau. The conferences will be attended by all magistrates and by administrative office training staff.*

Contractual (one-time cost)

Postage for mailing forms, manuals and informational literature.

800

Supplies (one-time cost)

Paper, dividers and notebooks training materials for the regional conferences.  
Printing of forms, manuals and informational literature.

900

Estimated Total Cost

\$34,700

3/27/16 JUD

# FISCAL NOTE

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

BILL NO. SB 272

Revision Date: \_\_\_\_\_ Dept. Affected: Department of Law  
 Title: "...relating to small claims...relating to actions that BRU: Civil Division  
may be heard by a magistrate..." Component: General Legal Services  
 Sponsor: Senator Torgerson  
 Requester: (S) JUD COMPONENT SERIAL NO. 2087

### Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

### FUND SOURCE

(Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY96) cost: \$ 0.0

### POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

### ANALYSIS: (Attach a separate page if necessary)

This bill amends AS 22 to increase the amount of relief that may be sought under the relaxed rules of small claims court (generally not requiring the representation of legal counsel) from \$5,000 to \$10,000. The bill will not have a fiscal impact for the Department of Law.

Prepared by: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3/26/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/26/96  
 Agency: Department of Law

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4/02 FIN #2

# FISCAL NOTE

**STATE OF ALASKA**  
**1996 LEGISLATIVE SESSION**

**BILL NO. CSSB 272 (JUD)**

Revision Date: 3/28/96 Dept. Affected: Department of Law  
 Title: "...relating to small claims...relating to actions that may be heard by a magistrate..." BRU: Civil Division  
 Sponsor: Senator Torgerson Component: General Legal Services  
 Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

**Expenditures/Revenues** (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ( )						
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**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

**POSITIONS**

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill amends AS 22 to increase the amount of relief that may be sought under the relaxed rules of small claims court (generally not requiring the representation of legal counsel) from \$5,000 to \$7,500. The bill will not have a fiscal impact for the Department of Law.

Prepared by: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3/28/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/28/96  
 Agency: Department of Law

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No. 2

# FISCAL NOTE

Bill Version: CSSB22CJD

STATE OF ALASKA  
1996 LEGISLATIVE SESSION

(S) Publish Date: 4/15/96

Revision Date: 3/28/96 Dept. Affected: Department of Law  
 Title: "...relating to small claims...relating to actions that BRU: Civil Division  
may be heard by a magistrate..." Component: General Legal Services  
 Sponsor: Senator Torgerson  
 Requester: Senate Judiciary Committee COMPONENT SERIAL NO. 2087

### Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 97	FY 98	FY 99	FY 00	FY 01	FY 02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
CAPITAL EXPENDITURES						
CHANGE IN REVENUES ( )						

### FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY96) cost: \$ 0.0

### POSITIONS

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME						
TEMPORARY						

**ANALYSIS:** (Attach a separate page if necessary)

This bill amends AS 22 to increase the amount of relief that may be sought under the relaxed rules of small claims court (generally not requiring the representation of legal counsel) from \$5,000 to \$7,500. The bill will not have a fiscal impact for the Department of Law.

Prepared by: Richard I. Pegues, Director Phone: 465-3672  
 Division: Administrative Services Division Date: 3/28/96  
 Approved by Commissioner: Bruce M. Botelho, Attorney General Date: 3/28/96  
 Agency: Department of Law

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**SENATE COMMITTEE REPORT**  
**First Committee of Referral**

DATE: 2/9/96

FURTHER: *Jim [unclear] added 5*

Date of 5-Day Notice: 3-21-96  
 (in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 3/28/96

The Judiciary Committee considered SB 272

Relating to small claims actions.

FN

*For FN forthcoming from Law*

and recommends:

be replaced with CS SB 272 (JUD)

adopt previous CS \_\_\_\_\_

attached amendment(s)

adopt Letter of Intent by \_\_\_\_\_ Committee

further referral to the \_\_\_\_\_ Committee

- same title
- new title
- House Bill:**
- same title
- technical title
- new: SCR# \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	WR	DNP	AM
<i>Mike Miller</i>	<input checked="" type="checkbox"/>	<i>[unclear]</i>	<input checked="" type="checkbox"/>		
		<i>[unclear]</i>	<input checked="" type="checkbox"/>		
		<i>[unclear]</i>	<input checked="" type="checkbox"/>		
CHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>	CHAIR:			

**NEW FISCAL NOTE(S):**

Department	Date	Zero	Fiscal
<i>Trial Courts</i>	<i>3/5/96</i>		<i>34.7</i>

**PREVIOUS FISCAL NOTE(S):\***

Department	Date	Zero	Fiscal
<del><i>[unclear]</i></del>			
<del><i>[unclear]</i></del>	<i>3/5/96</i>		

APPROPRIATION -- no fiscal note

\*include fiscal notes accompanying Governor's bill