

HB

227

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 12, 2004

FURTHER REFERRALS:

Date of Committee Action: 4/5/04

The FINANCE Committee considered:

HB 227

HOUSE BILL NO. 227

DISTRICT COURTS & SMALL CLAIMS

"An Act increasing the jurisdictional limit for small claims and for magistrates from \$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil cases from \$50,000 to \$75,000; and amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to service of process for small claims."




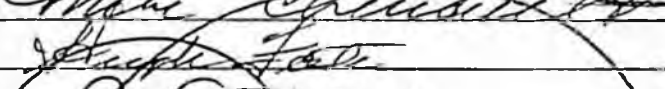



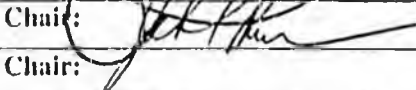

Recommends it be replaced with [] HCS or CS for HB 227 (Jud)
 For Senate Bills with new title: [] Technical Title [] New Title: HCR [] Same Title [] New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of Abbrev for Depts.:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFG
 GOV
 HSS
 LEG
 LAW
 LWF
 MVA
 DNR
 DPS
 REV
 DOT
 UA

<u>NEW FISCAL NOTES</u>				
*Assigned by Chief Clerk's Office				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
<u>CRT</u>	<u>1</u>		<input checked="" type="checkbox"/>	

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Hawker			<input checked="" type="checkbox"/>	
	STOLTZE			<input checked="" type="checkbox"/>	
	Tauler			<input checked="" type="checkbox"/>	
	Chedault	<input checked="" type="checkbox"/>			
	Fato	<input checked="" type="checkbox"/>			
	FOSTER	X			
	HARRIS			<input checked="" type="checkbox"/>	
Chair: 					
Chair: 					

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 227
(H) Publish Date: 1/23/04

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title District courts and small claims BRU Alaska Court System
Component Trial Courts
Sponsor House Judiciary Committee
Requester House Labor and Commerce Component No. 768

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	*	*	*	*	*	*

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						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	*	*	*	*	*	*

Estimate of any current year (FY2004) cost: _____
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: *(Attach a separate page if necessary)*
House Bill 227 will increase the jurisdictional limit of the district court from \$50,000 to \$75,000 per defendant. The court does not anticipate a significant impact from this change. The bill also increases the jurisdictional limit of small claims court from \$7,500 to \$10,000 and allows a plaintiff to sue an out-of-state defendant in those cases where the claim arose in Alaska. Both changes are likely to increase the number of cases filed in small claims court. The cases with out-of-state defendants are likely to be more lengthy than would otherwise be the case. However, because the increase in the number of cases filed in small claims court will be partially offset by a corresponding decrease in the number of cases filed in the district court and because the number of likely out-of-state defendants is unknown, the impact of the passage of HB 227 is too speculative to support a fiscal note at this time. If the impact turns out to be significant the court may return to the legislature with a request for additional funding.

Prepared by: Douglas Wooliver, Administrative Attorney Phone 463-4750
Division Alaska Court System Date/Time 1/16/04 8:17 AM
Approved by: Stephanie Cole, Administrative Director Date 1/16/2004
Agency Alaska Court System

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
Rep. Tom Anderson, Vice-Chair
Rep. Dan Ogg
Rep. Jim Holm
Rep. Ralph Samuels
Rep. Les Gara
Rep. Max Gruenberg



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House Judiciary Committee

Sponsor Statement CSHB 227 (JUD)

"An Act increasing the jurisdictional limit for small claims and for magistrates from \$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil cases from \$50,000 to \$100,000; expanding the jurisdiction of district courts; and amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to service of process for small claims."

The jurisdictional limit for district courts was last raised in 1990 when the legislature raised the limit from \$35,000 to \$50,000. By raising the jurisdictional limit from \$50,000 to \$100,000, this bill will allow for increases in inflation and provide increased flexibility for litigants regarding whether to file in district court or superior court.

The jurisdictional limit on small claims court and magistrate court was last raised in 1997 when the legislature raised the limit from \$5000 to \$7500. Small claims court offers many advantages over district court to private litigants, including less formal discovery requirements, reduced filing fees, and relaxed evidentiary rules. This bill will increase the limit to \$10,000.

The bill also removes prohibitions against the district court hearing claims for false imprisonment, libel, slander, and malicious prosecution. These restrictions were adopted shortly after statehood. District court judges are well qualified and there is no reason to prohibit them from hearing these types of cases.

Finally, the bill will expand small claims jurisdiction over out-of-state defendants. Under current law, small claims actions against out-of-state defendants may only be brought under the landlord-tenant act or under AS 09.05.020, which authorizes service of process against owners or operators of motor vehicles involved in an accident in the state. The bill would authorize small claims jurisdiction over out-of-state defendants under traditional long-arm principles. This expanded long-arm jurisdiction is limited to district court judges. Magistrates will continue to be limited by the standards set forth in current law.

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Sectional Analysis CSHB 227 (JUD)

"An Act increasing the jurisdictional limit for small claims and for magistrates from \$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil cases from \$50,000 to \$100,000; expanding the jurisdiction of district courts; and amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to service of process for small claims."

Section 1 increases the jurisdictional limit of district courts from \$50,000 to \$100,000.

Sections 2 increases the jurisdictional limits of the small claims court from \$7500 to \$10,000.

Section 3 extends the jurisdiction of the district court to include claims for false imprisonment, libel, slander and malicious prosecution.

Section 4 increases the jurisdictional amount for claims heard by magistrates from \$7500 to \$10,000.

Section 5 precludes magistrates from hearing cases brought under the expanded small claims jurisdiction over out-of-state defendants provided for in Section 6 of the bill. Magistrates will continue to be able to hear claims against out-of-state defendants only under the landlord-tenant act or in accordance with the AS 09.05.20 relating to service of process on nonresident owner or operator of motor vehicle.

Section 6 amends District Court Rule 11(a) to allow suits in small claims court against out-of-state defendants under traditional long-arm jurisdictional authority.

Section 7 provides that sections 5 and 6 of the bill only take effect if the court rule change in section 6 of the bill receives the two-thirds majority vote of each house required by art. IV, sec. 15 of the Alaska Constitution.