

HB

227

ALASKA STATE LEGISLATURE

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



State Capitol, Room 120
Juneau, AK 99801-1182
(907) 465-4900
Fax (907) 465-6592

House Judiciary Committee

Memorandum

To: Leg. Legal
From: Vanessa Tondini, Committee Aide
House Judiciary Committee
Date: February 9, 2004
Re: CS Request

Please create a final draft House Judiciary Committee Substitute for work order # 23-LS0896A, HB 227, incorporating the one attached title amendment (I.1). The bill was passed out of committee today.

If you have any questions, please call me at 4990. Thank you!

The information attached to this memo is **CONFIDENTIAL** an/or privileged. It is intended to be reviewed initially by only the individual named above. If the reader of this Memorandum is not the intended recipient or a representative of the intended recipient, you are hereby notified that any review, dissemination, or copying of the information contained herein is prohibited. If you have received this in error, please immediately notify the sender by telephone and return this to the sender at the above address.

23-LS0896V.1
Luckhaupt
2/9/04

AMENDMENT #1 - PASSED

OFFERED IN THE HOUSE
TO: CSHB 227(JUD)

BY REPRESENTATIVE GRUENBERG

- 1 Page 1, line 3, following "courts;":
- 2 Insert "limiting magistrates from hearing certain small claims cases;"

23-LS0896V
Luckhaupt
2/4/04

CS FOR HOUSE BILL NO. 227(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered:

Referred:

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the jurisdictional limit for small claims and for magistrates from
 2 \$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil
 3 cases from \$50,000 to \$100,000; expanding the jurisdiction of district courts; and
 4 amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to
 5 service of process for small claims."

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 * **Section 1.** AS 22.15.030(a) is amended to read:

8 (a) The district court has jurisdiction of civil cases, including foreign
 9 judgments filed under AS 09.30.200 and arbitration proceedings under AS 09.43.170,
 10 as follows:

11 (1) for the recovery of money or damages when the amount claimed
 12 exclusive of costs, interest, and attorney fees does not exceed \$100,000 [\$50,000] for
 13 each defendant;

1 (2) for the recovery of specific personal property, when the value of
2 the property claimed and the damages for the detention do not exceed \$100,000
3 [\$50,000];

4 (3) for the recovery of a penalty or forfeiture, whether given by statute
5 or arising out of contract, not exceeding \$100,000 [\$50,000];

6 (4) to give judgment without action upon the confession of the
7 defendant for any of the cases specified in this section, except for a penalty or
8 forfeiture imposed by statute;

9 (5) for establishing the fact of death or cause and manner of death of
10 any person in the manner prescribed in AS 09.55.020 - 09.55.069;

11 (6) for the recovery of the possession of premises in the manner
12 provided under AS 09.45.070 - 09.45.160 when the value of the arrears and damage to
13 the property does not exceed \$100,000 [\$50,000];

14 (7) for the foreclosure of a lien when the amount in controversy does
15 not exceed \$100,000 [\$50,000];

16 (8) for the recovery of money or damages in motor vehicle tort cases
17 when the amount claimed exclusive of costs, interest, and attorney fees does not
18 exceed \$100,000 [\$50,000] for each defendant;

19 (9) over civil actions for taking utility service and for damages to or
20 interference with a utility line filed under AS 42.20.030;

21 (10) over cases involving protective orders for domestic violence
22 under AS 18.66.100 - 18.66.180.

23 * Sec. 2. AS 22.15.040(a) is amended to read:

24 (a) Except as otherwise provided in this subsection, when a claim for relief
25 does not exceed \$10,000 [\$7,500], exclusive of costs, interest, and attorney fees, and
26 request is so made, the district judge or magistrate shall hear the action as a small
27 claim unless important or unusual points of law are involved or the state is a
28 defendant. The Department of Labor and Workforce Development may bring an
29 action as a small claim under this subsection for the payment of wages under
30 AS 23.05.220 in an amount not to exceed \$20,000, exclusive of costs, interest, and
31 attorney fees. The supreme court shall prescribe the procedural rules and standard

1 forms to assure simplicity and the expeditious handling of small claims.

2 * Sec. 3. AS 22.15.050 is amended to read:

3 **Sec. 22.15.050. Actions not within civil jurisdiction.** The jurisdiction of the
4 district courts does not extend to

5 (1) an action in which the title to real property is in question;

6 (2) an action [FOR FALSE IMPRISONMENT, LIBEL, SLANDER,
7 MALICIOUS PROSECUTION, OR ACTIONS] of an equitable nature, except as
8 otherwise provided by law.

9 * Sec. 4. AS 22.15.120(a) is amended to read:

10 (a) A magistrate shall preside only in cases and proceedings under
11 AS 22.15.040, 22.15.100, and 22.15.110, and as follows:

12 (1) for the recovery of money or damages only when the amount
13 claimed, exclusive of costs, interest, and attorney fees, does not exceed \$10,000
14 [\$7,500];

15 (2) for the recovery of specific personal property when the value of the
16 property claimed and the damages for the detention do not exceed \$10,000 [\$7,500];

17 (3) for the recovery of a penalty or forfeiture, whether given by statute
18 or arising out of contract, not exceeding \$10,000 [\$7,500];

19 (4) to give judgment without action upon the confession of the
20 defendant for any of the cases specified in this section, except for a penalty or
21 forfeiture imposed by statute;

22 (5) to give judgment of conviction upon a plea of guilty or no contest
23 by the defendant in a criminal proceeding within the jurisdiction of the district court;

24 (6) to hear, try, and enter judgments in all cases involving
25 misdemeanors that are not minor offenses if the defendant consents in writing that the
26 magistrate may try the case;

27 (7) to hear, try, and enter judgments in all cases involving minor
28 offenses and violations of ordinances of political subdivisions;

29 (8) for the extradition of fugitives as authorized under AS 12.70;

30 (9) to provide post-conviction relief under the Alaska Rules of
31 Criminal Procedure for any of the cases specified in (5), (6), or (7) of this subsection if

1 the conviction occurred in the district court; or

2 (10) to hear, try, and enter judgments in actions for the payment of
3 wages brought by the Department of Labor and Workforce Development as provided
4 in AS 22.15.040(a).

5 * **Sec. 5.** AS 22.15.120 is amended by adding a new subsection to read:

6 (c) A magistrate may not preside in small claims cases under AS 22.15.040
7 when service is made on a defendant outside the state under Rule 11(a)(4)(C), District
8 Court Rules of Civil Procedure.

9 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
10 read:

11 DIRECT COURT RULE AMENDMENT. Rule 11(a), District Court Rules of
12 Civil Procedure, is amended to read:

13 (a) The summons shall be issued and the summons and complaint served,
14 according to the procedures of Civil Rule 4, except that:

15 (1) If personal service is used, the clerk shall deliver the summons for
16 service to a peace officer or to a person specially appointed to serve it.

17 (2) If service is by registered or certified mail, the clerk shall mail the
18 summons and a copy of the complaint as provided in Civil Rule 4(h).

19 (3) Service by publication or posting shall not be allowed.

20 (4) Service on a defendant who is outside the state shall be allowed

21 (A) [ONLY] in accordance with the Landlord-Tenant Act,
22 AS 34.03.340;

23 (B) in accordance with [AND] AS 09.05.020, entitled Service
24 of Process on Nonresident Owner or Operator of Motor Vehicle; or

25 (C) as otherwise permitted under Civil Rule 4.

26 (5) The affidavit required by Civil Rule 4(f) is not required in small
27 claims cases and Civil Rule 4(j) shall not apply.

28 * **Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to
29 read:

30 CONDITIONAL EFFECT. Sections 5 and 6 of this Act take effect only if sec. 6 of
31 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,

1 Constitution of the State of Alaska.



ALASKA COURT SYSTEM
State of Alaska
Office of the Administrative Director

Doug Wooliver
Administrative Attorney

820 West 4th Avenue
Anchorage, Alaska 99501-2005
(907) 264-8265
FAX (907) 264-8291

February 18, 2004

The Honorable Lesil McGuire
Chair, House Judiciary Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative McGuire:

This letter is in response to questions raised in the House Judiciary Committee regarding HB 227 and the appropriate jurisdictional amount for small claims cases. Specifically I was asked to consider the implications of raising the jurisdictional limit to either \$15,000 or \$20,000. In an effort to answer this question I communicated with several district court judges and magistrates. Although their views varied between support and opposition, most judges opposed an increase beyond the currently proposed limit of \$10,000.

Those that support a limit up to or even exceeding \$20,000 do so because they believe that the higher limits would make it easier for people of limited means to file actions in court. They are not concerned about the larger cases flooding the system or blurring the lines between district court and small claims court.

Those that oppose an increase above \$10,000 do so for several reasons. One is the fear that large cases will interfere with the small claims calendar and slow the process to the detriment of those litigants with smaller claims.

Another concern is that small claims court is not the proper forum for large claims because the informal procedures inadequately protect the rights of the parties. The same lack of formality that makes it easy and inexpensive to sue someone also increases the likelihood that the end result of that suit will be unjust. Small claims court represents a trade-off between simplicity, cost savings and speed on the one hand, and thoroughness and due process on the other. The higher the jurisdictional limit, the more concerned judges become about the adequacy of the process. One judge put it this way:

Discovery in small claims and presentation at trial is often insufficient to allow adequate and fair resolution of the type of issues commonly involve in such larger claims. [Additionally], any inequities tend to work against the defendant "little guy" because they are often up against either lawyers or experienced claim adjusters for the creditor.

Representative Lesil McGuire
Small Claims Jurisdictional Amount
February 18, 2004
Page 2 of 2

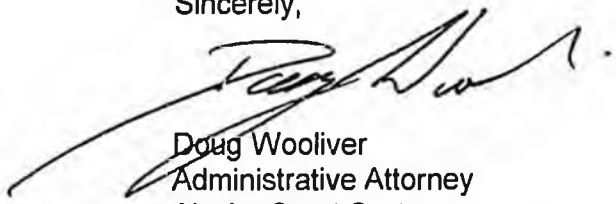
This concern with the fairness of the outcome is compounded by the fact that the sparse record developed in small claims cases makes them difficult to appeal.

Although an inexperienced defendant may always elect to proceed in district court rather than small claims court, as a practical matter, many do not understand the differences between the two courts and the benefits of the greater protections afforded in district court.

Most judges believe that the district court is the proper forum for cases with a value in excess of \$10,000. As the court continues in its efforts to develop more pro se forms and other services this option will become increasingly accessible to the unrepresented litigant.

I hope that this answers your question. Thank you for the opportunity to respond.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Wooliver", written in a cursive style.

Doug Wooliver
Administrative Attorney
Alaska Court System

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
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House Judiciary Committee

MEMORANDUM

To: Representative John Harris, Co-Chair
Representative Bill Williams, Co-Chair
House Finance Committee

From: Representative Lesil McGuire, Chair 
House Judiciary Committee

Date: February 25, 2004

Re: Request for Hearing, HB 227: District Courts & Small Claims

I respectfully request that HB 227: District Courts & Small Claims, be scheduled for a hearing at your earliest convenience. I have attached the following for your information:

1. Sponsor Statement
2. Sectional Analysis
3. CSHB 227 (JUD)
4. HB 227
5. Fiscal Note

If you have any questions please feel free to contact me personally, or my staff, Vanessa Tondini, at 4990.

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
Rep. Tom Anderson, Vice-Chair
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House Judiciary Committee

Memorandum

To: Gerry Luckhaupt, Leg. Legal
From: Vanessa Tondini, Committee Aide
House Judiciary Committee
Date: February 3, 2004
Re: CS Request

Please create a work draft House Judiciary Committee Substitute for work order # 23-LS0896D, HB 227, incorporating the following change: (delete Section 4 (Page 3, Lines 27-30) from version "D") and incorporating the attached amendment adding a new section to the bill.

If you have any questions, please call me at 4990. Thank you!

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CSHB 227 WITHDRAWN
Conceptual A. #2 by Sara

Small claims →
~~\$50,000~~

OR
\$20,000 ~~by OAG~~

extend for just
auto claims + landlord/tenant
OR, all ^{real} personal property
claims

By Gruenberg

HB 227

~~AMENDMENT~~

Add new section to bill:

Section ____. AS 22.15.050 is amended to read:

Sec. 22.15.050. Actions not within civil jurisdiction. The jurisdiction of the district courts does not extend to

- (1) an action in which the title to real property is in question;
- (2) an action [FOR FALSE IMPRISONMENT, LIBEL, SLANDER, MALICIOUS PROSECUTION, OR ACTIONS] of an equitable nature, except as otherwise provided by law.

23-LS0896\D
Luckhaupt
2/2/04

CS FOR HOUSE BILL NO. 227(JUD)

**IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION**

BY THE HOUSE JUDICIARY COMMITTEE

**Offered:
Referred:**

Sponsor(s): HOUSE JUDICIARY COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act increasing the jurisdictional limit for small claims and for magistrates from**
2 **\$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil**
3 **cases from \$50,000 to \$100,000; and amending Rule 11(a)(4), Alaska District Court**
4 **Rules of Civil Procedure, relating to service of process for small claims."**

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 *** Section 1.** AS 22.15.030(a) is amended to read:

7 (a) The district court has jurisdiction of civil cases, including foreign
8 judgments filed under AS 09.30.200 and arbitration proceedings under AS 09.43.170,
9 as follows:

10 (1) for the recovery of money or damages when the amount claimed
11 exclusive of costs, interest, and attorney fees does not exceed \$100,000 [\$50,000] for
12 each defendant;

13 (2) for the recovery of specific personal property, when the value of
14 the property claimed and the damages for the detention do not exceed \$100,000

1 [\$50,000];

2 (3) for the recovery of a penalty or forfeiture, whether given by statute
3 or arising out of contract, not exceeding \$100,000 [\$50,000];

4 (4) to give judgment without action upon the confession of the
5 defendant for any of the cases specified in this section, except for a penalty or
6 forfeiture imposed by statute;

7 (5) for establishing the fact of death or cause and manner of death of
8 any person in the manner prescribed in AS 09.55.020 - 09.55.069;

9 (6) for the recovery of the possession of premises in the manner
10 provided under AS 09.45.070 - 09.45.160 when the value of the arrears and damage to
11 the property does not exceed \$100,000 [\$50,000];

12 (7) for the foreclosure of a lien when the amount in controversy does
13 not exceed \$100,000 [\$50,000];

14 (8) for the recovery of money or damages in motor vehicle tort cases
15 when the amount claimed exclusive of costs, interest, and attorney fees does not
16 exceed \$100,000 [\$50,000] for each defendant;

17 (9) over civil actions for taking utility service and for damages to or
18 interference with a utility line filed under AS 42.20.030;

19 (10) over cases involving protective orders for domestic violence
20 under AS 18.66.100 - 18.66.180.

21 * **Sec. 2.** AS 22.15.040(a) is amended to read:

22 (a) Except as otherwise provided in this subsection, when a claim for relief
23 does not exceed \$10,000 [\$7,500], exclusive of costs, interest, and attorney fees, and
24 request is so made, the district judge or magistrate shall hear the action as a small
25 claim unless important or unusual points of law are involved or the state is a
26 defendant. The Department of Labor and Workforce Development may bring an
27 action as a small claim under this subsection for the payment of wages under
28 AS 23.05.220 in an amount not to exceed \$20,000, exclusive of costs, interest, and
29 attorney fees. The supreme court shall prescribe the procedural rules and standard
30 forms to assure simplicity and the expeditious handling of small claims.

31 * **Sec. 3.** AS 22.15.120(a) is amended to read:

1 (a) A magistrate shall preside only in cases and proceedings under
2 AS 22.15.040, 22.15.100, and 22.15.110, and as follows:

3 (1) for the recovery of money or damages only when the amount
4 claimed, exclusive of costs, interest, and attorney fees, does not exceed \$10,000
5 [\$7,500];

6 (2) for the recovery of specific personal property when the value of the
7 property claimed and the damages for the detention do not exceed \$10,000 [\$7,500];

8 (3) for the recovery of a penalty or forfeiture, whether given by statute
9 or arising out of contract, not exceeding \$10,000 [\$7,500];

10 (4) to give judgment without action upon the confession of the
11 defendant for any of the cases specified in this section, except for a penalty or
12 forfeiture imposed by statute;

13 (5) to give judgment of conviction upon a plea of guilty or no contest
14 by the defendant in a criminal proceeding within the jurisdiction of the district court;

15 (6) to hear, try, and enter judgments in all cases involving
16 misdemeanors that are not minor offenses if the defendant consents in writing that the
17 magistrate may try the case;

18 (7) to hear, try, and enter judgments in all cases involving minor
19 offenses and violations of ordinances of political subdivisions;

20 (8) for the extradition of fugitives as authorized under AS 12.70;

21 (9) to provide post-conviction relief under the Alaska Rules of
22 Criminal Procedure for any of the cases specified in (5), (6), or (7) of this subsection if
23 the conviction occurred in the district court; or

24 (10) to hear, try, and enter judgments in actions for the payment of
25 wages brought by the Department of Labor and Workforce Development as provided
26 in AS 22.15.040(a).

27 * **Sec. 4.** AS 22.15.120 is amended by adding a new subsection to read:

28 (c) A magistrate may not preside in small claims cases under AS 22.15.040
29 when service is made on a defendant outside the state under Rule 11(a)(4)(C), District
30 Court Rules of Civil Procedure.

31 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to

1 read:

2 DIRECT COURT RULE AMENDMENT. Rule 11(a), District Court Rules of
3 Civil Procedure, is amended to read:

4 (a) The summons shall be issued and the summons and complaint served,
5 according to the procedures of Civil Rule 4, except that:

6 (1) If personal service is used, the clerk shall deliver the summons for
7 service to a peace officer or to a person specially appointed to serve it.

8 (2) If service is by registered or certified mail, the clerk shall mail the
9 summons and a copy of the complaint as provided in Civil Rule 4(h).

10 (3) Service by publication or posting shall not be allowed.

11 (4) Service on a defendant who is outside the state shall be allowed

12 (A) [ONLY] in accordance with the Landlord-Tenant Act,
13 AS 34.03.340;

14 (B) in accordance with [AND] AS 09.05.020, entitled Service
15 of Process on Nonresident Owner or Operator of Motor Vehicle; or

16 (C) when the cause of action is based upon a debt,
17 contractual obligation, personal injury, or property damage incurred or
18 occurring while the defendant was physically present in Alaska.

19 (5) The affidavit required by Civil Rule 4(f) is not required in small
20 claims cases and Civil Rule 4(j) shall not apply.

21 * Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
22 read:

23 CONDITIONAL EFFECT. Sections 4 and 5 of this Act take effect only if sec. 5 of
24 this Act receives the two-thirds majority vote of each house required by art. IV, sec. 15,
25 Constitution of the State of Alaska.

ALASKA STATE LEGISLATURE

Rep. Lesil McGuire, Chair
Rep. Tom Anderson, Vice-Chair
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Rep. Les Gara
Rep. Max Gruenberg



State Capitol, Room 120
Juneau, AK 99801-1182
(907) 465-4990
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House Judiciary Committee

Memorandum

To: Leg. Legal
From: Vanessa Tondini, Committee Aide
House Judiciary Committee
Date: January 29, 2004
Re: CS Request

Please create a work draft House Judiciary Committee Substitute for work order # 23-LS0896A, HB 227, incorporating the amendments described below. The bill will be heard in committee on Monday, 2/2. I have also written the changes into the attached copy of HB 227 for clarification.

Amendments:

- 1) Increase the jurisdictional limit for district courts to \$100,000, instead of \$75,000.
- 2) Incorporate language to limit magistrates' jurisdiction, creating an exception notwithstanding AS 22.15.120 (a), to preclude a magistrate from presiding in cases or proceedings brought against a defendant who was served under Dist. Ct. R. Civ. Pro. 11(a)(4)(C). Please feel free to draft this concept where and how you feel appropriate.

If you have any questions, please call me at 4990. Thank you!

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HOUSE BILL NO. 227

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Introduced: 3/28/03

Referred: Labor and Commerce, Judiciary

A BILL

FOR AN ACT ENTITLED

1 "An Act increasing the jurisdictional limit for small claims and for magistrates from
2 \$7,500 to \$10,000; increasing the jurisdictional limit of district courts in certain civil
3 cases from \$50,000 to \$75,000; and amending Rule 11(a)(4), Alaska District Court Rules
4 of Civil Procedure, relating to service of process for small claims."

5 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

6 * Section 1. AS 22.15.030(a) is amended to read:

7 (a) The district court has jurisdiction of civil cases, including foreign
8 judgments filed under AS 09.30.200 and arbitration proceedings under AS 09.43.170,
9 as follows:

10 (1) for the recovery of money or damages when the amount claimed
11 exclusive of costs, interest, and attorney fees does not exceed ~~\$75,000~~ ^{100,000} [\$50,000] for
12 each defendant;

13 (2) for the recovery of specific personal property, when the value of
14 the property claimed and the damages for the detention do not exceed ~~\$75,000~~

1 [\$50,000];

2 (3) for the recovery of a penalty or forfeiture, whether given by statute
3 or arising out of contract, not exceeding ~~\$75,000~~ [\$50,000];

4 (4) to give judgment without action upon the confession of the
5 defendant for any of the cases specified in this section, except for a penalty or
6 forfeiture imposed by statute;

7 (5) for establishing the fact of death or cause and manner of death of
8 any person in the manner prescribed in AS 09.55.020 - 09.55.069;

9 (6) for the recovery of the possession of premises in the manner
10 provided under AS 09.45.070 - 09.45.160 when the value of the arrears and damage to
11 the property does not exceed ~~\$75,000~~ [\$50,000];

12 (7) for the foreclosure of a lien when the amount in controversy does
13 not exceed ~~\$75,000~~ [\$50,000];

14 (8) for the recovery of money or damages in motor vehicle tort cases
15 when the amount claimed exclusive of costs, interest, and attorney fees does not
16 exceed ~~\$75,000~~ [\$50,000] for each defendant;

17 (9) over civil actions for taking utility service and for damages to or
18 interference with a utility line filed under AS 42.20.030;

19 (10) over cases involving protective orders for domestic violence
20 under AS 18.66.100 - 18.66.180.

21 * **Sec. 2.** AS 22.15.040(a) is amended to read:

22 (a) Except as otherwise provided in this subsection, when a claim for relief
23 does not exceed \$10,000 [\$7,500], exclusive of costs, interest, and attorney fees, and
24 request is so made, the district judge or magistrate shall hear the action as a small
25 claim unless important or unusual points of law are involved or the state is a
26 defendant. The Department of Labor and Workforce Development may bring an
27 action as a small claim under this subsection for the payment of wages under
28 AS 23.05.220 in an amount not to exceed \$20,000, exclusive of costs, interest, and
29 attorney fees. The supreme court shall prescribe the procedural rules and standard
30 forms to assure simplicity and the expeditious handling of small claims.

31 * **Sec. 3.** AS 22.15.120(a) is amended to read:

1 (a) A magistrate shall preside only in cases and proceedings under
2 AS 22.15.040, 22.15.100, and 22.15.110, and as follows:

3 (1) for the recovery of money or damages only when the amount
4 claimed, exclusive of costs, interest, and attorney fees, does not exceed \$10,000
5 [\$7,500];

6 (2) for the recovery of specific personal property when the value of the
7 property claimed and the damage for the detention do not exceed \$10,000 [\$7,500];

8 (3) for the recovery of a penalty or forfeiture, whether given by statute
9 or arising out of contract, not exceeding \$10,000 [\$7,500];

10 (4) to give judgment without action upon the confession of the
11 defendant for any of the cases specified in this section, except for a penalty or
12 forfeiture imposed by statute;

13 (5) to give judgment of conviction upon a plea of guilty or no contest
14 by the defendant in a criminal proceeding within the jurisdiction of the district court;

15 (6) to hear, try, and enter judgments in all cases involving
16 misdemeanors that are not minor offenses if the defendant consents in writing that the
17 magistrate may try the case;

18 (7) to hear, try, and enter judgments in all cases involving minor
19 offenses and violations of ordinances of political subdivisions;

20 (8) for the extradition of fugitives as authorized under AS 12.70;

21 (9) to provide post-conviction relief under the Alaska Rules of
22 Criminal Procedure for any of the cases specified in (5), (6), or (7) of this subsection if
23 the conviction occurred in the district court; or

24 (10) to hear, try, and enter judgments in actions for the payment of
25 wages brought by the Department of Labor and Workforce Development as provided
26 in AS 22.15.040(a).

27 * Sec. 4. Rule 11(a), District Court Rules of Civil Procedure, is amended to read:

28 (a) The summons shall be issued and the summons and complaint served,
29 according to the procedures of Civil Rule 4, except that:

30 (1) If personal service is used, the clerk shall deliver the summons for
31 service to a peace officer or to a person specially appointed to serve it.

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(2) If service is by registered or certified mail, the clerk shall mail the summons and a copy of the complaint as provided in Civil Rule 4(h).

(3) Service by publication or posting shall not be allowed.

(4) Service on a defendant who is outside the state shall be allowed

(A) [ONLY] in accordance with the Landlord-Tenant Act, AS 34.03.340;

(B) in accordance with [AND] AS 09.05.020, entitled Service of Process on Nonresident Owner or Operator of Motor Vehicle; or

(C) when the cause of action is based upon a debt, contractual obligation, personal injury, or property damage incurred or occurring while the defendant was physically present in Alaska.

(5) The affidavit required by Civil Rule 4(f) is not required in small claims cases and Civil Rule 4(j) shall not apply.

* Sec. 5. The uncodified law of the State of Alaska is amended by adding a new section to read:

CONDITIONAL EFFECT. Section 4 of this Act takes effect only if that section receives the two-thirds majority vote of each house required by art. IV, sec. 15, Constitution of the State of Alaska.

~~except that~~

(b) Notwithstanding (a) of this —
A magistrate may not preside in cases or proceedings ^{brought} against a defendant who was served under ~~(a)(4)(C)~~ Alaska ~~Rules of~~ Civil Rule 11(a)(4)(C).

ALASKA STATE LEGISLATURE

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



State Capitol, Room 120
Juneau, AK 99801-1182
(907) 465-4990
Fax (907) 465-6592

House Judiciary Committee

Sponsor Statement HB 227

"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."

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 \$75,000, 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.

Finally, the bill will allow suits in small claims court against people who caused damage or breached contracts while they were visiting Alaska. Under the current rule governing small claims court, the defendant must be served with process in Alaska. This bill allows suits against defendants who are no longer in Alaska although the claim arose in the state.

ALASKA STATE LEGISLATURE

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House Judiciary Committee

Sectional Analysis

HB 227

"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."

Section 1 increases the jurisdictional limit of district courts from \$50,000 to \$75,000.

Sections 2 and 3 increase the jurisdictional limits of the small claims court and the magistrate court from \$7500 to \$10,000.

Section 4 allows suits in small claims court against out-of-state defendants who caused damage while they were physically present in Alaska.

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 ()						
-------------------------------	--	--	--	--	--	--

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