

HB

227

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 04/27/04

FURTHER:

REPORTED OUT

MAY 04 2004

SENATE FINANCE
COMMITTEE

DATE TURNED
IN TO OFFICE: 4 May 2004

Finance Committee considered CS FOR HOUSE BILL NO. 227(JUD)

HB 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 \$100,000; expanding the jurisdiction of district courts; limiting magistrates from hearing certain small claims cases; and amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to service of process for small claims."

and recommends:

be replaced with _____ CS _____ (_____)

adopt previous _____ CS _____ (_____)

attached amendment(s)

adopt Letter of Intent by _____ Committee

further referral to _____ Committee

Senate Bill:

- Same Title
- New Title

House Bill:

- Same Title
- Technical Title Change
- New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CRT	4/7/04		*		#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>				
<i>[Signature]</i>				
<i>[Signature]</i>				
<i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				
COCHAIR: <i>[Signature]</i>				

MAY 04 2004

SENATE FINANCE COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 227(JUD)
(H) Publish Date: 4/19/04

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 _____ 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						
-----------------------------	--	--	--	--	--	--

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)

Committee Substitute for HB 227 will increase the jurisdictional limit of the district court from \$50,000 to \$100,000 per defendant. The bill also increases the jurisdictional limit of small claims court from \$7,500 to \$10,000 and allows a plaintiff in small claims court greater ability to sue an out-of-state defendant. Both changes to small claims court are likely to increase the number of cases filed. 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 CSHB 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 4/7/04 12:10 PM
Approved by: Stephanie Cole, Administrative Director Date 4/7/2004
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



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

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.

ALASKA STATE LEGISLATURE

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House Judiciary Committee

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.

SENATE COMMITTEE REPORT

DATE: 04/20/04

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 4/27/04

Judiciary Committee considered CS FOR HOUSE BILL NO. 227(JUD)

HB 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 \$100,000; expanding the jurisdiction of district courts; limiting magistrates from hearing certain small claims cases; and amending Rule 11(a)(4), Alaska District Court Rules of Civil Procedure, relating to service of process for small claims."

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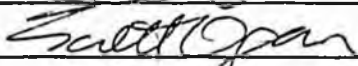
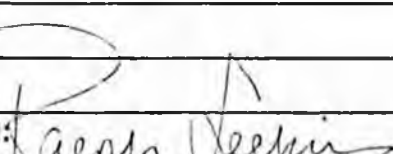
NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CRT	4/7		✓		2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>French</i> 	X			
<i>Ogan</i> 	X			
<i>Seckins</i> CHAIR: 	✓			

SENATE FINANCE COMMITTEE

SIGN-IN

HB 227-DISTRICT COURTS & SMALL CLAIMS

NAME: Doug Wooliver Subject/Bill No: HB 227
Co./Dept./Title: Alaska Court System Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____
Do you wish to testify? Yes No Respond To Questions