

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-3418/1	Introduction Number AB-680
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Subject

Increasing jurisdictional amount in small claims actions

Fiscal Effect

State:

No State Fiscal Effect
 Indeterminate

<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
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Local:

No Local Government Costs
 Indeterminate

1. <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input checked="" type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
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Fund Sources Affected	Affected Ch. 20 Appropriations
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By CTS/ Nancy Rottier (608) 267-9733	Authorized Signature Nancy Rottier (608) 267-9733	Date 10/19/2005
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Fiscal Estimate Narratives

CTS 10/20/2005

LRB Number	05-3418/1	Introduction Number	AB-680	Estimate Type	Original
Subject					
Increasing jurisdictional amount in small claims actions					

Assumptions Used in Arriving at Fiscal Estimate

This bill increases the jurisdictional limit in small claims cases from \$5,000 to \$10,000.

In 2004, there were 160,228 small claims actions filed in the circuit courts. When filing a small claims action, a party must pay a total fee of \$85.00. That fee is composed of a \$22.00 filing fee, a \$51.00 Court Support Services Surcharge and \$12.00 Justice Information System Surcharge. The \$85.00 is divided as follows: \$10.20 is retained by the county, \$17.80 is paid to the program revenue fund under s. 20.680 (2)(j) for the Consolidated Court Automation Programs (CCAP), \$52.00 is paid to the state general fund, and \$5.00 to the Justice Information System (BJIS).

Cases in which more than \$5,000 is claimed are filed as large civil claims in circuit court. There were 54,959 large civil claims cases filed in 2004. When filing a large civil claims action, a party must pay a total fee of \$256.00. That fee is composed of a \$75.00 filing fee, a \$169.00 Court Support Services Surcharge and \$12.00 Justice Information System Surcharge. The \$256.00 is divided as follows: \$30.00 is retained by the county, \$21.00 is paid to the program revenue fund under s. 20.680 (2)(j) for the Consolidated Court Automation Programs (CCAP), \$200.00 is paid to the state general fund, and \$5.00 to the Justice Information System (BJIS).

In addition, s. 814.86 (1m) requires Milwaukee County to charge an additional \$3.50 for both small claims and large civil claims for a special prosecution clerks surcharge. This fee is distributed to the Milwaukee County District Attorney's office.

An increase in the small claims jurisdictional limit will result in a shift of cases from the large civil claims caseload to the small claims caseload. It is impossible to predict the amount of the shift. The loss in large civil claims does not necessarily mean a corresponding increase in small claims caseload.

A shift of cases from large civil claims to small claims would, however, result in decreased revenue for the state and the counties. For purposes of illustrating the impact, we are assuming a shift of 20%, or 10,992 cases, that would be filed as small claims rather than as large civil claims. Using that assumption, there would be a loss of revenue of \$1,879,632 (Large civil claim filing fees of 2,813,952 minus small claims filing fees of 934,320.)

The distribution of the funds would be impacted as follows:

Large Civil Claims (Decrease of 20%)

Cases (10,992)
Filing Fee (2,813,952)
County Share (329,760)
State General Fund (2,198,400)
CCAP (230,832)
BJIS (54,960)

Small Claims Increase

Cases 10,992
Filing Fee 934,320
County Share 112,118
State General Fund 571,584
CCAP 195,658
BJIS 54,960

Net Increased Revenue (Decreased Revenue)
Filing Fees (1,879,632)
County Share (217,642)
State General Fund (1,626,816)
CCAP (35,174)
BJIS 0

Presently, the small claims caseload in the more populous counties is handled by court commissioners, while in those counties without commissioners the clerks handle the initial return dates. This bill would decrease the circuit judge's large civil claim caseload while increasing the caseload for commissioners and clerks. This would result in a shift of the burden of cost for handling these cases from the state to the county. The counties pay court commissioners and clerk of courts staff. It is unknown how many counties would utilize the option of using court commissioners to handle the additional small claims caseload.

The 2004 filing data shows the following caseload for the most populous counties:

Milwaukee County: 40,379 small claims cases filed
13,864 large civil claims filed
Waukesha County: 6,695 small claims cases filed
3,089 large civil claims filed
Dane County: 13,285 small claims cases filed
4,011 large civil claims filed

The clerks of court from Milwaukee and Dane Counties have projected that additional staff would be required under this bill. Milwaukee, which presently has three full-time small claims court commissioners, could require one full-time additional court commissioner (\$174,088/year), a ½ time deputy clerk (\$38,603/year) and two clerk-typists (\$111,136/year). Dane County would need a ½ time clerk (\$24,668/year) and a ½ time clerk-typist (\$23,103/year). These salaries include fringe benefits but not space and supplies costs. The additional costs for other counties are impossible to predict.

Long-Range Fiscal Implications