

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3094/2		Introduction Number AB-0579	
Description Increasing the jurisdictional amount in small claims actions			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Decrease Existing Appropriations			
<input type="checkbox"/> Create New Appropriations			
Local:			
<input type="checkbox"/> No Local Government Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
1. <input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others
<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory	4. <input checked="" type="checkbox"/> Decrease Revenue		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
2. <input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory			
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	Authorized Signature	Date	
CTS/ Nancy Rottier (608) 267-9733	Nancy Rottier (608) 267-9733	2/12/2008	

Fiscal Estimate Narratives

CTS 2/12/2008

LRB Number	07-3094/2	Introduction Number	AB-0579	Estimate Type	Original
Description Increasing the 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.

Chapter 799 of the statutes provides for the exclusive procedures that are to be used in small claims actions. These actions include the following:

1. Evictions, regardless of the amount of rent claimed;
2. Return of earnest money, regardless of the amount claimed;
3. Recovery of certain forfeitures;
4. Replevins, where the value of the property claimed does not exceed \$5,000;
5. For confirmation, modification or vacation of certain arbitrations;
6. For other civil actions, where the amount claimed does not exceed \$5,000.

Other civil actions are governed under chapters 801 to 847 of the statutes. They are commonly referred to as large civil claims because the amount claimed exceeds the small claim limit of \$5,000.

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.

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 revenues collected from these fees and the various entities to whom the fees are distributed are shown on the attached spreadsheet that is a part of this fiscal estimate. Fees to be collected and distributed are governed by chapter 814 of the statutes.

(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. This fee is not shown on the attached spreadsheet.)

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.

This fiscal estimate uses the assumption that 20% of the large civil claims would shift to be filed as small claims rather than as large civil claims. The numbers of large civil claims filed in the last three years for which data is available are as follows:

2004 – 56,959
2005 – 56,904
2006 – 61,418
Average – 57,760 (20% of 57,760 = 11,552)

The average number of large civil claims filed for the years 2004 – 2006 is 57,760. Using our assumption of a 20% shift in cases, there would be 11,552 more small claims cases and the same number fewer large claims. The fiscal impact of this redistribution is also shown on the attached spreadsheet that is a part of this fiscal estimate.

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 clerks of court from Milwaukee and Dane Counties have projected that additional staff would be required under this bill. Milwaukee County has estimated it would require one full-time additional court commissioner (\$174,088/year); additional clerical staff would also be needed. 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

AB 579/SB 342: Analysis of Fiscal Effects

Increase of Small Claims Limit from \$5,000 to \$10,000

For purposes of this estimate, it is assumed that 11,552 cases will be between \$5,000 and \$10,000.

	Current Law			AB 579/SB 342		Net Impact
	Large Claim Each Case	Cases Assumed to Shift 11,552 Cases (currently large claims)	Small Claims Each Case	Cases Assumed to Shift 11,552 Cases (small claims)		
Revenue						
Filing Fee	\$75.00	\$866,400.00	\$22.00	\$254,144.00	(\$612,256.00)	
CSSS	\$169.00	\$1,952,288.00	\$51.00	\$589,152.00	(\$1,363,136.00)	
JISS	\$12.00	\$138,624.00	\$12.00	\$138,624.00	\$0.00	
Total Collected	\$256.00	\$2,957,312.00	\$85.00	\$981,920.00	(\$1,975,392.00)	
Distribution						
County General Fund	\$30.00	\$346,560.00	\$10.20	\$117,830.40	(\$228,729.60)	
State General Fund	\$200.00	\$2,310,400.00	\$52.00	\$600,704.00	(\$1,709,696.00)	
CCAP	\$21.00	\$242,592.00	\$17.80	\$205,625.60	(\$36,966.40)	
JIS	\$5.00	\$57,760.00	\$5.00	\$57,760.00	\$0.00	
Total Distributed	\$256.00	\$2,957,312.00	\$85.00	\$981,920.00	(\$1,975,392.00)	
Abbreviations:						
CSSS = Court Support Services Surcharge						
JISS = Justiste Information System Surcharge						
CCAP = Consolidated Court Automation Programs						
JIS = Justice Information Systems						
Estimated Fiscal Impact:						
County General Funds		(\$228,729.60)				
State General Fund		(\$1,709,696.00)				
CCAP		(\$36,966.40)				
JIS		\$0.00				
Total		(\$1,975,392.00)				