

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1930/1	Introduction Number SB-070
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Description
 Increasing the jurisdictional amount in and the filing fee for small claims actions

Fiscal Effect

State:

- No State Fiscal Effect
- Indeterminate
 - Increase Existing Appropriations
 - Decrease Existing Appropriations
 - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
 - Yes No
- Decrease Costs

Local:

- No Local Government Costs
- Indeterminate
 - 1. Increase Costs Permissive Mandatory
 - 2. Decrease Costs Permissive Mandatory
 - 3. Increase Revenue Permissive Mandatory
 - 4. Decrease Revenue Permissive Mandatory
- 5. Types of Local Government Units Affected
 - Towns Village Cities
 - Counties Others
 - School Districts WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

GPR FED PRO PRS SEG SEGS

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Fiscal Estimate Narratives

CTS 6/8/2011

LRB Number	11-1930/1	Introduction Number	SB-070	Estimate Type	Original
Description Increasing the jurisdictional amount in and the filing fee for 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 and raises the filing fee for small claims actions from \$22.00 to \$44.00.

Chapter 799 of the statutes provides for the exclusive procedures that are to be used in small claims actions. Under s. 799.01 (1), these actions include the following:

- (a) Evictions, regardless of the amount of rent claimed;
- (am) Return of earnest money, regardless of the amount claimed;
- (b) Recovery of certain forfeitures;
- (c) Replevins, where the value of the property claimed does not exceed \$5,000;
- (cm) For confirmation, modification or vacation of certain arbitrations;
- (d) For other civil actions, where the amount claimed does not exceed \$5,000.

Under s. 799.01(2) taxing authorities may use the small claims procedures where the amount claimed, including penalties and interest, is under \$5,000.

This bill would amend (1)(c), (1)(d) and (2) above by increasing the current \$5,000 limit to \$10,000. When filing a small claims action, a party currently pays a total fee of \$94.50. That fee is composed of a \$22.00 filing fee, a \$51.00 Court Support Services Surcharge and a \$21.50 Justice Information System Surcharge. This bill increases the filing fee from \$22.00 to \$44.00. Of the increase, \$1.00 would go to the state general fund and \$21.00 would be retained for the use of the county where the action is filed.

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. Under current law, a party must pay a total fee of \$265.50 when filing a large civil claims action. That fee is composed of a \$75.00 filing fee, a \$169.00 Court Support Services Surcharge and a \$21.50 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. The amount of the fees to be collected and to whom they are 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 affected by this bill and 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.

For purposes of this fiscal estimate, we are assuming the following:

- 1) the loss in large civil claims will result in a corresponding increase in small claims caseload; and
- 2) 20% of the large civil claims would shift to be filed as small claims.

For the calendar years 2006 through 2010, there were an average of 79,246 large civil claims filed per year and an average of 178,552 small claims filed per year. Assuming a 20% shift in cases, there would be 15,849 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 (approximately \$175,000/year); additional clerical staff would also be needed. Dane County has estimated it would need a ½ time clerk and a ½ time clerk-typist (approximately \$50,000/year). These estimates include fringe benefits but not space and supplies costs. The additional costs for other counties are impossible to predict.

Long-Range Fiscal Implications

AB 106/SB 70: Analysis of Fiscal Effects

Increase of Small Claims Limit from \$5,000 to \$10,000; Small Claims Filing Fee Increased to \$44.00

For purposes of this estimate, it is assumed that 15,849 cases will be between \$5,000 and \$10,000

Large Claims	Current Law		AB 106/SB 70		Difference
	Each Case	79,246 Cases	Each Case	63,397 Cases	
Revenue					
Filing Fee	\$75.00	\$5,943,450.00	\$75.00	\$4,754,775.00	(\$1,188,675.00)
CSSS	\$169.00	\$13,392,574.00	\$169.00	\$10,714,093.00	(\$2,678,481.00)
JISS	\$21.50	\$1,703,789.00	\$21.50	\$1,363,035.50	(\$340,753.50)
Total Collected	\$265.50	\$21,039,813.00	\$265.50	\$16,831,903.50	(\$4,207,909.50)
Distribution					
County General Fund	\$30.00	\$2,377,380.00	\$30.00	\$1,901,910.00	(\$475,470.00)
State General Fund	\$200.00	\$15,849,200.00	\$200.00	\$12,679,400.00	(\$3,169,800.00)
CCAP	\$21.00	\$1,664,166.00	\$21.00	\$1,331,337.00	(\$332,829.00)
JISS	\$14.50	\$1,149,067.00	\$14.50	\$919,256.50	(\$229,810.50)
Total Distributed	\$265.50	\$21,039,813.00	\$265.50	\$16,831,903.50	(\$4,207,909.50)

Small Claims	Current Law		AB 106/SB 70		Difference
	Each Case	178,552	Each Case	194,401 Cases	
Revenue					
Filing Fee	\$22.00	\$3,928,144.00	\$44.00	\$8,553,644.00	\$4,625,500.00
CSSS	\$51.00	\$9,106,152.00	\$51.00	\$9,914,451.00	\$808,299.00
JISS	\$21.50	\$3,838,868.00	\$21.50	\$4,179,621.50	\$340,753.50
Total Collected	\$94.50	\$16,873,164.00	\$116.50	\$22,647,716.50	\$5,774,552.50
Distribution					
County General Fund	\$10.20	\$1,821,230.40	\$31.20	\$6,065,311.20	\$4,244,080.80
State General Fund	\$52.00	\$9,284,704.00	\$53.00	\$10,303,253.00	\$1,018,549.00
CCAP	\$17.80	\$3,178,225.60	\$17.80	\$3,460,337.80	\$282,112.20
JISS	\$14.50	\$2,589,004.00	\$14.50	\$2,818,814.50	\$229,810.50
Total Distributed	\$94.50	\$16,873,164.00	\$116.50	\$22,647,716.50	\$5,774,552.50

Estimated Net Fiscal Impact for AB 106/SB 70:

County General Funds	\$3,768,610.80
State General Fund	(\$2,151,251.00)
CCAP	(\$50,716.80)
JISS	\$0.00
Total	\$1,566,643.00

Abbreviations:

- CSSS = Court Support Services Surcharge
- JISS = Justiste Information System Surcharge
- CCAP = Consolidated Court Automation Programs
- JISS = Justice Information System Surcharge