

Department of Legislative Services  
Maryland General Assembly  
2001 Session

FISCAL NOTE  
Revised

House Bill 546

(Delegate Baldwin, *et al.*)

Judiciary

Judicial Proceedings

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District Court - Small Claim Actions

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This bill increases from \$2,500 to \$5,000 the amount in controversy above which the District Court and circuit courts have concurrent jurisdiction in civil cases. The bill also provides that in a civil action in District Court, if the amount in controversy is \$2,500 or less, there shall be no formal pleadings.

The bill applies only to cases filed on or after the bill's October 1, 2001 effective date.

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Fiscal Summary

**State Effect:** The District Court of Maryland could handle any additional workload resulting from the bill with existing budgeted resources. Any revenue increase for the District Court is not expected to be significant.

**Local Effect:** The bill would not significantly impact circuit court operations or finances.

**Small Business Effect:** None.

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Analysis

**Current Law:** A civil case with an amount in controversy of \$2,500 or less, exclusive of prejudgment or postjudgment interest, costs, and attorney's fees, must be filed in District Court. These cases are considered to be "small claims." A civil case with an amount in controversy of more than \$2,500 and \$25,000 or less may be filed in either the District Court or circuit court.

In a civil action in District Court, if the amount in controversy is \$1,000 or less, there are no formal pleadings.

**State Fiscal Effect:** Although this bill could result in additional case filings for the District Court, it is expected that the number of additional cases would not be large. Many cases with an amount in controversy of more than \$2,500 and \$5,000 or less are already filed in District Court. Consequently, any workload increase could be handled by the District Court with existing budgeted resources.

The upper limit of the District Court's civil jurisdiction was increased from \$20,000 to \$25,000 effective in fiscal 1999. Although it was expected that District Court case filings would increase as a result of that legislation (HB 194 of 1998), civil case filings in the District Court actually decreased by approximately 3.25% from fiscal 1998 to fiscal 1999.

Any shift in caseload from the circuit court to the District Court would also result in a shift in fee revenue. The basic civil case filing fee in circuit court is currently \$80, and the basic civil case filing fee for a small claim in District Court is currently \$10 (\$20 for a large claim). However, any revenue shift resulting from this bill is not expected to significantly impact governmental finances.

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### **Additional Information**

**Prior Introductions:** HB 546 of 2000 sought to increase from \$2,500 to \$10,000 the amount in controversy above which the District Court and circuit courts have concurrent jurisdiction in civil cases. That bill received an unfavorable report from the Judiciary Committee.

**Cross File:** None.

**Information Source(s):** Judiciary (District Court of Maryland, Administrative Office of the Courts), Department of Legislative Services

**Fiscal Note History:** First Reader – February 12, 2001  
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