

## Department of Planning and Budget 2011 Fiscal Impact Statement

**1. Bill Number:** HB1590H1

<b>House of Origin</b>	<input type="checkbox"/> Introduced	<input checked="" type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron(s):** Iaquinto and Loupassi

**3. Committee:** Senate Courts of Justice

**4. Title:** Increase civil jurisdictional limit of general district courts

**5. Summary:** Increases from \$15,000 to \$25,000 the maximum civil jurisdictional limit of general district courts.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** Preliminary (see Item 8)

**8. Fiscal Implications:** As a result of this bill, some civil actions now brought in circuit court will be brought in general district court. Neither the number of cases shifted from circuit court to general district court nor the number of new general district court cases can be estimated. Currently, there are approximately 4,600 civil cases brought annually in all the circuit courts with an *ad damnum* between \$15,000 and \$25,000. This number represents less than the average number of civil hearings conducted by one general district court judge in a year. Since any increase in the general district caseload would be spread statewide, it is expected that any additional impact to the caseload of the general district courts could be managed.

However, such a case brought in circuit court generates a base filing fee of \$100, while if that case were to be filed in general district court under an enacted House Bill 1590, it would generate a base filing fee of \$30. Therefore, if all the cases eligible to be brought in general district court under House Bill 1590 were to be brought in general district court, there would be \$322,000 less collected in filing fees.

The Supreme Court is unable to predict that *all* the cases eligible to be shifted from circuit court to general district court will be brought in general district court, but it is reasonable to expect that the vast majority will be. If we assume that 80 percent of the cases with an *ad damnum* between \$15,000 and \$25,000 now brought in circuit court will be brought in general district court, then \$257,600 less would be collected in filing fees (3,680 cases). It's important to note that some of those cases which will now be decided in general district court could be appealed, where they would incur the circuit court filing fee, in addition to the general district court filing fee. The rate of appeals from general district court to circuit court is small. If we assume 10 percent of those new general district court cases will be appealed, then the circuit court filing fees collected would offset the fiscal impact by \$36,800.

Therefore, the estimated net fiscal impact is a reduction in circuit court filing fees collected of \$220,800 (\$257,600 - \$36,800). The lost circuit court filing fees would be borne two-thirds by the Commonwealth (\$147,936) and one-third by the various localities (\$72,864).

**9. Specific Agency or Political Subdivisions Affected:** Courts

**10. Technical Amendment Necessary:** No

**11. Other Comments:** Same as SB774S1

**Date:** February 7, 2011

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