



**SF 2357** – Small Claims Court (LSB1567SV)

Analyst: Laura Book (515.205.9275) [laura.book@legis.iowa.gov](mailto:laura.book@legis.iowa.gov)

Fiscal Note Version – New

**Description**

[Senate File 2357](#) makes jurisdictional changes to small claims court cases. The Bill provides that a small claims court case commenced on or after July 1, 2018, shall not involve damages or value in excess of \$7,500. The Bill further provides that the jurisdictional amount shall revert to \$5,000 if a court finds the \$7,500 amount unconstitutional.

**Background**

Under current law, a small claims court case shall not involve damages or value in excess of \$5,000. Under Iowa Code section [631.2](#), small claims cases may be tried by a Judicial Magistrate, a District Associate Judge, or a District Judge. Judicial Magistrates oversee most small claims cases. There are currently 206 authorized Judicial Magistrate positions.

**Assumptions**

- The cost of an individual Judicial Magistrate position is \$51,447.
- Increasing the small claims cap will increase the overall Judicial Magistrate workload by 7.5%.
- Small claims case filings will increase by 29,263 filings (50.0%), from 58,525 to 87,788. District court civil petition filings will decrease by 29,263.

**Fiscal Impact**

[Senate File 2357](#) will have a negative impact on the Judicial Branch operating budget. The expanded jurisdiction of small claims cases will result in an increased caseload for Judicial Magistrates. It is estimated that an additional 11 Judicial Magistrates will be needed in order to meet the increased caseload demands, resulting in an additional cost of approximately \$566,000 to the Judicial Branch operating budget. The expanded jurisdiction of small claims cases will remove some of the caseload burden from District Court Judges, but this shift is not estimated to offset the costs incurred from hiring additional Judicial Magistrates.

The Bill will also have a negative fiscal impact on the State General Fund due to a loss of revenue from filing fees. The filing fee for small claims is \$85, and the filing fee for a district court civil petition is \$185. Raising the small claims cap from \$5,000 to \$7,500 will result in an increase in small claims filing fees and a decrease in district court civil petition filing fees.

**Table 1** shows the estimated decrease in filing fee revenue.

**Table 1: SF 2357, Fee Revenue from Filings Valued \$5,000 to \$7,500**

<b>Proposed (Small Claims Fee)</b>	<b>Current Law (District Ct. Fee)</b>	<b>Difference</b>
\$2,488,000	\$5,414,000	(\$2,926,000)

**Source**

Judicial Branch

/s/ Holly M. Lyons

---

February 22, 2018

---

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

---