

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6461

BILL NUMBER: SB 422

NOTE PREPARED: Jan 17, 2023

BILL AMENDED:

SUBJECT: Civil Claims Jurisdiction of City Courts.

FIRST AUTHOR: Sen. Leising

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill provides a city court concurrent jurisdiction with the circuit court in civil cases in which the amount in controversy does not exceed \$10,000.

It also makes a technical correction and conforming changes.

Effective Date: July 1, 2023.

Explanation of State Expenditures:

Explanation of State Revenues: This bill would result in some indeterminable loss of revenue to the state General Fund. If the threshold for civil cases is increased to \$10,000, then more civil cases could be filed in these city courts instead of in the trial courts in these counties. The state General Fund loses \$15 for each case that is heard in a city and town court rather than in a trial court.

Explanation of Local Expenditures: *City & Town Courts:* If more civil cases are filed in city or town courts, this would increase the workload of the municipal courts. As a result, the bill could potentially reduce the workload of the trial courts to the extent there is a shift in civil case filings. Whether these trial courts will need fewer resources because of this shift will depend on whether the decisions made by the judges in these city courts are appealed.

Explanation of Local Revenues: If more civil cases are filed in a city or town court, municipal general funds would increase by \$22 for each case filed. The potential revenue loss to the state for each civil case that is filed in a city or town court instead of a court of record is \$15. Also, the county general fund would lose \$7 for each civil case filed in a city or town court.

The following table shows the effect of transferring civil cases from trial courts to city and town courts.

Effect of Transferring Civil Cases from Trial Courts to City and Town Courts				
	State Share	County Share	Municipal Share	Total Fee:
Courts of Record	\$70	\$27	\$3	\$100
City and Town Courts	\$55	\$20	\$25	\$100
Effect:	(\$15)	(\$7)	\$22	\$0

City & Town Courts: This bill would likely shift more civil cases from trial courts to city courts in Lake County, but would have uncertain effects on the 30 other counties in Indiana. If more civil cases are filed in city and town courts, local general funds would experience an increase in revenue and an increase in workload.

One of the factors OFMA considered is whether the individual court has a civil docket. If the court has a civil docket (i.e., where the court accepts civil cases), then it is likely that the court will have more civil cases.

4-Year Average of Misdemeanors, Infractions & Ordinance Violations, and Civil Cases (2017 thru 2020)			
City & Town Courts	Misdemeanors	Infractions & Ordinance Violations	Civil Cases
Crown Point	426	1,319	97
East Chicago	736	1,592	208
Gary	1,778	7,569	688
Hammond	706	5,808	3,451
Hobart	1,423	1,783	441
Merrillville Town	379	3,289	10

Based on the bill's provisions, the most significant effect would be in Lake County, where five of the six courts affected reported 208 or more civil filings each year on average between 2017 and 2020. Batesville City court averages about 107 civil cases per year and has jurisdiction in both Ripley and Franklin counties. The other city and town courts have very few, if any, civil cases in their courts.

State Agencies Affected: Indiana Supreme Court.

Local Agencies Affected: Trial courts; Counties with city and town courts.

Information Sources: Indiana Judicial Services Report, Indiana Supreme Court.

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