

Date of Hearing: March 17, 2026

ASSEMBLY COMMITTEE ON JUDICIARY  
Ash Kalra, Chair  
AB 1827 (Chen) – As Amended March 10, 2026

As Proposed to be Amended

**SUBJECT:** SMALL CLAIMS COURT: JURISDICTION

**KEY ISSUES:**

- 1) SHOULD THE AMOUNT IN CONTROVERSY LIMIT FOR SMALL CLAIMS CASES BE INCREASED TO CASES WITH A VALUE OF \$15,000 OF LESS?
- 2) SHOULD LITIGANTS IN SMALL CLAIMS COURT BE PERMITTED TO FILE THREE LAWSUITS WITH A VALUE IN EXCESS OF \$2,500 IN LIEU OF THE CURRENT TWO PER YEAR?

**SYNOPSIS**

*In response to the inflationary impacts of the post-pandemic economy, in 2023, the Legislature enacted SB 71 (Umberg) Chap. 861, Stats. 2023, to raise the jurisdictional limits for civil actions filed as a small claim, limited civil, or unlimited civil matter. While SB 71 was easily able to make consistent changes to limited and unlimited civil jurisdictions, the bill did not evenly apply to small claims matters. While the maximum small claims jurisdictional limit was raised from \$10,000 to \$12,500, several case-specific limits remained untouched. The author and proponents of this measure now claim that the widely varying jurisdictional limits for small claims matters are now generating confusion for litigants and forcing more Californians to spend thousands of dollars to hire legal counsel and litigate relatively minor claims as a limited civil matter.*

*Accordingly, this bill seeks to standardize small claims jurisdictional limits at \$15,000 for all small claims matters. As proposed to be amended, the bill also modestly increases the amount of claims exceeding \$2,500 a single litigant can file in small claims court in a calendar year from two to three cases.*

*This bill is supported by California Civil Liberties Advocacy and the California Association of Collectors. The proponents note that without increasing jurisdictional limits more Californians are being forced to hire expensive legal counsel to litigate relatively low value matters to the point that the cost of hiring an attorney may be more than the eventual judgment. While it appears that the Judicial Council may have some concerns related to potential workload impacts, as proposed to be amended, the bill has no registered opposition.*

**SUMMARY:** Increases and standardizes the amount in controversy limit for small claims court. Specifically, **this bill:**

- 1) Increases and standardizes the jurisdictional limits for small claims court to an amount in controversy of fifteen thousand dollars (\$15,000), or less.

- 2) Increases the number of small claims filings with an amount in controversy in excess of two thousand five hundred dollars (\$2,500) a person may file in a calendar from two to three cases.

**EXISTING LAW:**

- 1) Provides that a small claims court maintains jurisdiction over the following claims:
  - a) For recovery of money, if the amount of the demand does not exceed six thousand two hundred fifty dollars (\$6,250);
  - b) To enforce payment of delinquent unsecured personal property taxes in an amount not to exceed six thousand two hundred fifty dollars (\$6,250), as specified;
  - c) To issue a writ of possession if the amount of the demand does not exceed six thousand two hundred fifty dollars (\$6,250), as specified;
  - d) To confirm, correct, or vacate a fee arbitration award not exceeding six thousand two hundred fifty dollars (\$6,250) between an attorney and client that is binding or has become binding, or to conduct a hearing de novo between an attorney and client after nonbinding arbitration of a fee dispute involving no more than six thousand two hundred fifty dollars (\$6,250), as specified; and
  - e) For an injunction or other equitable relief only when a statute expressly authorizes a small claims court to award that relief. (Code of Civil Procedure Section 116.220 (a).)
- 2) Provides that, in addition to the matters outlined in 1), the small claims court has jurisdiction in an action brought by a natural person, if the amount of the demand does not exceed twelve thousand five hundred dollars (\$12,500). (Code of Civil Procedure Section 116.221.)
- 3) Prohibits a person from bringing more than two small claims actions worth more than two thousand five hundred dollars (\$2,500) in a calendar year, as specified. (Code of Civil Procedure Section 116.231.)

**FISCAL EFFECT:** As currently in print this bill is keyed fiscal.

**COMMENTS:** In 2023, the Legislature restructured the amount in controversy levels for small claims, limited civil, and unlimited civil matters with the enactment of SB 71 (Umberg) Chap. 861, Stats. 2023. Unlike limited and unlimited civil matters, which generally had standard amount in controversy jurisdictional limits, small claims jurisdictional limits varied widely by case type. SB 71 modified some of the small claims jurisdictional limits but left others untouched. This bill would raise and standardize the jurisdictional limits for small claims court to \$15,000 for all causes of action. The bill also provides litigants one additional small claims action per year for cases with an amount in controversy exceeding \$2,500. In support of the bill, the author states:

Small claims court was designed to provide a fast, low-cost, and accessible forum for resolving routine disputes. However, inflation and rising operating costs have outpaced the current cap. When claims exceed \$6,250, businesses must either forgo recovery or pursue Superior Court litigation, which often requires attorneys, higher filing fees, and lengthy

timelines. This creates economically irrational choices for modest disputes and weakens contract enforcement across the small business community.

This proposal modernizes California's small claims system by increasing the jurisdictional limit for small businesses to \$15,000 per case and allowing up to three filings per year. The reform maintains all existing safeguards, including the prohibition on attorney representation, judicial discretion and oversight, and simplified procedures and evidentiary standards. It does not expand legal complexity or reduce defendant protections.

Increasing the small claims limit to \$15,000 and allowing three filings per year is a measured modernization that strengthens contract enforcement, supports small business economic stability, and reduces strain on California's court system. This proposal updates and modernizes the small claims framework to reflect the realities of today's economy.

***Unlike other civil matters, small claims court has varied jurisdictional limits.*** Prior to the enactment of SB 71, limited and unlimited civil cases had consistent jurisdictional limits. All matters exceeding the jurisdiction of small claims court yet with an amount in controversy of \$25,000 were deemed limited civil cases and subject to specialized discovery and evidentiary rules. All cases exceeding \$25,000 were deemed unlimited civil cases. SB 71 simply changed the \$25,000 threshold to \$35,000. For small claims court, however, the pre-SB 71 jurisdictional limits ranged from \$6,250 to \$10,000. SB 71 increased some of those thresholds, including the \$10,000 cap to the \$12,500 limit in existing law, but left other limits unchanged.

The variation in limits reflected the unique nature of small claims court, including that litigants are not permitted to be represented by counsel, and were designed to ensure that more sophisticated plaintiffs (i.e. business entities) could not prey upon average litigants. However, since the enactment of SB 71, the widely varying jurisdictional limits appear to be generating more confusion rather than solving problems, especially when unrepresented litigants are trying to determine the appropriate venue for which to file their civil case. Furthermore, the proponents of this bill contend that the recent bout of inflation that has plagued the post-pandemic economy has made the older limits less functional and forces more parties to hire expensive legal counsel and file their claim in limited civil jurisdiction.

***Existing law limits parties' ability to file excessive amounts of small claims actions.*** One of the critical benefits of small claims court is that it permits parties to resolve relatively minor disputes efficiently and for a lower cost than adjudication in a traditional civil court. Because the courts are utilized by average Californians who are unrepresented by counsel, the existing law adopts safeguards to prevent the courts from being used by more sophisticated plaintiffs. One such safeguard is the existing law's limit on filing excessive amount of higher value cases in small claims court. Indeed, existing law prohibits filing more than two cases with amount in controversy exceeding \$2,500 annually in small claims court. The proponents of this bill again contend that recent inflation has rendered this limit unworkable.

***This bill seeks to standardize the jurisdictional limits of small claims court.*** Seeking to compensate for the impact of inflation, and to reduce confusion stemming from inconsistent jurisdictional limits, this bill would standardize the maximum amount in controversy level for all matters in small claims court at \$15,000. While \$15,000 is a significant amount of money to most Californians, increasing this limit does provide the ability for more disputes to be resolved without forcing average Californians to hire an attorney at the cost of hundreds, if not thousands, of dollars per hour. Although some of the largest increases in the jurisdictional limits are for

more complex business-to-business type cases, as noted below, proposed amendments to the annual filing limits should dramatically reduce an opportunity for abuse of the small claims court by sophisticated litigants.

***Proposed amendments ensure that corporations cannot abuse small claims court and should lessen concerns about judicial workloads.*** As currently in print, the bill would permit a person to file up to six small claims actions with values exceeding \$2,500 in a calendar year. The existing limit of two such cases per year is designed to ensure that sophisticated business plaintiffs cannot abuse the small claims system by filing an excessive number of small claims cases that really should be filed as a limited civil matter. While recognizing that inflation may have created more, relatively, minor matters with amount in controversy over \$2,500, protecting litigants remains a critical public policy goal.

Additionally, although they do not presently have a formal position on the matter, the Judicial Council has surmised that increasing the number of more complex cases in small claims court may overburden the judges assigned to small claims calendars. Accordingly, in order to protect litigants and to reduce the burden on the bench officers, the author is prudently proposing to amend the bill to permit the filing of only three small claims actions exceeding a \$2,500 amount in controversy per year. Accordingly, Code of Civil Procedure Section 116.231 is now proposed to read:

(a) Except as provided in subdivision (d), no person may file more than ~~three~~ ~~six~~ small claims actions in which the amount demanded exceeds two thousand five hundred dollars (\$2,500), anywhere in the state in any calendar year.

(b) Except as provided in subdivision (d), if the amount demanded in any small claims action exceeds two thousand five hundred dollars (\$2,500), the party making the demand shall file a declaration under penalty of perjury attesting to the fact that not more than ~~three~~ ~~six~~ small claims actions in which the amount of the demand exceeded two thousand five hundred dollars (\$2,500) have been filed by that party in this state within the calendar year.

(c) The Legislature finds and declares that the pilot project conducted under the authority of Chapter 1196 of the Statutes of 1991 demonstrated the efficacy of the removal of the limitation on the number of actions public entities may file in the small claims courts on claims exceeding two thousand five hundred dollars (\$2,500).

(d) The limitation on the number of filings exceeding two thousand five hundred dollars (\$2,500) does not apply to filings where the claim does not exceed five thousand dollars (\$5,000) that are filed by a city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity. If any small claims action is filed by a city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity pursuant to this section, and the defendant informs the court either in advance of the hearing by written notice or at the time of the hearing, that they are represented in the action by legal counsel, the action shall be transferred out of the small claims division. A city, county, city and county, school district, county office of education, community college district, local district, or any other local public entity may not file a claim within the small claims division if the amount of the demand exceeds five thousand dollars (\$5,000).

Further refinement of this level, or removal of these provisions in their entirety, is highly likely once the Judicial Council is able to formally take a position on the measure. Although the judicial workload impacts may warrant the eventual removal of these provisions, the very modest increase of one additional case exceeding \$2,500 per year appears to appropriately balance the impact of inflation with the ongoing need to protect litigants from sophisticated business plaintiffs abusing the small claims process.

***ARGUMENTS IN SUPPORT:*** In support of this bill, California Civil Liberties Advocacy writes:

Small claims courts exist to ensure that ordinary Californians have access to a forum where disputes can be resolved efficiently and affordably without the complexity and expense of formal civil litigation. Unfortunately, the rising cost of living and doing business in California has steadily eroded the practical value of the current jurisdictional limits. Many disputes involving modest but meaningful sums—such as contractor disputes, unpaid personal debts, property damage, or consumer protection claims—now exceed the existing limits, forcing individuals to choose between abandoning legitimate claims or entering a costly and time-consuming civil litigation process.

AB 1827 addresses this problem by increasing the small claims jurisdictional cap to \$15,000 and allowing individuals to file up to three higher-value claims annually, ensuring that the small claims system continues to serve its core function: providing accessible justice for everyday disputes. In practical terms, this reform helps middle-class Californians and small property owners resolve conflicts without the need to retain legal counsel, which can often exceed the value of the underlying claim.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Association of Collectors, Inc.  
California Civil Liberties Advocacy

**Opposition**

None on file

**Analysis Prepared by:** Nicholas Liedtke / JUD. / (916) 319-2334