

Date of Hearing: April 15, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 1827 (Chen) – As Amended March 18, 2026

Policy Committee: Judiciary

Vote: 12 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill increases and standardizes the jurisdictional limit for small claims court to \$15,000 for all causes of action and increases the number of small claims actions exceeding \$2,500 that a person may file per calendar year from two to three.

**FISCAL EFFECT:**

- 1) Unknown fiscal impact on courts (Trial Court Trust Fund, General Fund). The bill would shift some cases currently filed as limited civil matters into small claims court, resulting in lower filing fee revenue — the general small claims filing fee for claims between \$5,000 and \$12,500 is \$75, compared to \$370 for a limited civil filing in the \$10,000 to \$35,000 range. To the extent the bill diverts cases from limited civil to small claims, the TCTF would lose approximately \$295 per diverted case. However, small claims cases generally require fewer court resources than limited civil cases (no discovery, no attorney appearances, simplified procedures), partially offsetting the revenue loss through reduced workload. The Judicial Council anticipates an unknown impact on small claims court calendars. Raising the various sub-limits (from \$6,250 to \$15,000) and the overall cap (from \$12,500 to \$15,000) would likely increase filings in two ways: cases that would have been filed as limited civil matters will shift to small claims, and litigants who currently forgo filing because they are unwilling to pursue a limited civil action may now file in small claims court. Higher-value small claims cases may also take longer to adjudicate than lower-value cases, adding to calendar pressure. The Judicial Council does not cite specific cost figures.
- 2) Cost pressures (Trial Court Trust Fund) of an unknown but potentially significant amount to the courts to adjudicate any additional filings. Actual costs will depend on the number of cases filed and the amount of court time needed to resolve each case. It generally costs approximately \$1,000 to operate a courtroom for one hour. Although courts are not funded on the basis of workload, increased pressure on the Trial Court Trust Fund may create a demand for increased funding for courts from the General Fund. The state budget provides annual General Fund backfills to the Trial Court Trust Fund to offset revenue reductions, totaling approximately \$117.3 million in 2025-26.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year beginning in the 2027-28 fiscal year.

**COMMENTS:**

- 1) **Purpose.** According to the author, small claims court was designed to provide a fast, low-cost, and accessible forum for resolving routine disputes; however, inflation and rising costs have outpaced the current cap, forcing litigants into more expensive limited civil proceedings for relatively modest claims.
- 2) **Background.** In 2023, SB 71 (Umberg), Chapter 861, restructured the amount-in-controversy levels for civil matters, raising the limited/unlimited civil threshold from \$25,000 to \$35,000. SB 71 also increased some small claims limits — notably the general cap from \$10,000 to \$12,500 — but left several case-specific sub-limits at \$6,250. The resulting variation in small claims jurisdictional limits has generated confusion for unrepresented litigants attempting to determine the appropriate venue for their claims. Existing law also limits parties to two small claims filings per year with an amount in controversy exceeding \$2,500, a safeguard designed to prevent sophisticated business plaintiffs from using small claims court to litigate matters that should be filed as limited civil cases.

**Analysis Prepared by:** Shiran Zohar / APPR. / (916) 319-2081