SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1827 (Chen) - Small claims court: jurisdiction

Version: March 18, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: JUD. 13 - 0
Mandate: No
Consultant: Bob Franzoia

Bill Summary: AB 1827 would increase the small claims court jurisdiction limit up to $15,000 and increase the number of small claims actions that exceed $2,500 a person may file in any calendar year from two claims to three claims.

Fiscal Impact: Likely major revenue loss annually to the courts by shifting 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 Trial Court Trust Fund 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.

Potentially major workload 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 as 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 bill would require operational changes, including updates to the Judicial Council Civil Case Management System, fee schedule, forms, instruction packets, website and Self-Help materials, and staff training. (Trial Court Trust Fund, General Fund)

Cost pressure of an unknown but potentially significant amount annually 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. While the courts are not funded on a workload basis, an increase in workload could result in delayed court services and would increase pressure to fund additional staff and resources. The FY 2026-27 Budget appropriated $70 million General Fund for this purpose (Trial Court Trust Fund, General Fund).

Background: For more than 100 years, California's civil courts have been tiered depending on the amount of money, or potential damages, at controversy in a civil case. The "amount in controversy" generally refers to the amount of the demand--the recovery sought, or the value of the property, or the amount of the lien--that is in controversy in a civil action, exclusive of attorneys' fees, interest, and costs. This tiered system is designed to expedite the resolution of simple matters, while providing more complex matters the necessary time for a proper adjudication.

In California, civil cases are divided into three separate categories roughly depending on the amount of money in controversy. Generally, cases that involve a demand of $5,000 or less, or $12,500 or less for natural persons, are adjudicated in small claims courts. Each county is mandated to establish such small claims divisions and to provide individual assistance to advise small claims litigants and potential litigants without charge. These cases are extremely informal, attorneys are generally not permitted to take part, and plaintiffs have a limited right to appeal. The object of such procedures is to dispense justice promptly, fairly, and inexpensively.

Limited civil cases are the next tier beyond small claims matters. The jurisdictional limit for such cases is $25,000. Such cases have limitations on the pleadings allowed and provide for case questionnaires to be served to facilitate the exchange of fundamental information regarding each party's case. Discovery is carefully restricted in such cases, with parties only being authorized to serve a combination of 35 interrogatories (with no subparts), demands for document production, and requests for admission (without subparts). The parties are also limited to one oral or written deposition. Additional discovery may be conducted by stipulation of the parties or by authorization of the court, but only upon a showing that the moving party will be unable to prosecute or defend the action effectively without the additional discovery. Certain limited civil cases must be conducted as expedited jury trials unless a party opts out where certain criteria are met. Expedited jury trials have smaller juries and more limited peremptory challenges. The rules of evidence and all statutes and rules governing costs and attorney fees apply. However, the parties may agree to modify the rules and procedures and the implementing rules of court, subject to the court's approval. Unlimited civil cases are the remainder of cases. Generally, these include cases where more than $25,000 is demanded or in cases involving other types of claims, such as certain title disputes or cases involving civil restraining orders.

Related Legislation: SB 71 (Umberg) Chapter 861/2023 increased the amount in controversy limits for small claims court and limited civil cases.

AB 2781 (Judiciary) Chapter 98/2026 adjusted the filing fee statutes to reflect the current amounts in controversy that were enacted through SB 71 (Umberg).

Staff Comments: The bill does not change the fee structure in Code of Civil Procedure 116.230 to reflect the jurisdictional change. For example, the dollar amount in controversy for money recovery increases from $6,250 to $15,000 but leaves the current $75 fee for claims over $5,000 unchanged. This further increases pressure on the General Fund to backfill the Trial Court Trust Fund.