

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCB CJC 18-01 County Court Jurisdiction

SPONSOR(S): Civil Justice & Claims Subcommittee

TIED BILLS: None **IDEN./SIM. BILLS:** SB 1384

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Civil Justice & Claims Subcommittee	15 Y, 0 N	Jones	Bond

SUMMARY ANALYSIS

In Florida, the two types of trial courts that hear civil lawsuits are county courts and circuit courts. Pursuant to the Florida Constitution, county courts exercise jurisdiction as provided by general law, and circuit courts exercise jurisdiction in matters not within the jurisdiction of county courts. County courts generally have jurisdiction of actions at law where the amount in controversy does not exceed \$15,000; actions at law where the amount in controversy exceeds \$15,000 must be filed in circuit court. The current jurisdictional threshold was last changed in 1992.

PCB CJC 18-01 increases the jurisdictional threshold between county court and circuit courts from \$15,000 to \$50,000 and requires the Florida Supreme Court to adjust the jurisdictional threshold beginning in 2020 and every five years thereafter based on the Consumer Price Index.

The bill has an indeterminate fiscal impact on the courts.

The bill is effective on July 1, 2018, and applies to a cause of action filed on or after that date, regardless of when the cause of action accrued.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Background

County and Circuit Courts

In Florida, the two types of trial courts that hear civil lawsuits are county courts and circuit courts.¹ The Florida Constitution provides that county courts exercise jurisdiction as provided by general law, and that circuit courts exercise jurisdiction in matters not within the jurisdiction of county courts.² Section 34.01, F.S., implements the constitutional provision, establishing that county courts have jurisdiction of certain cases including actions at law where the amount in controversy does not exceed \$15,000, exclusive of interest, costs, and attorney's fees, except those cases within the exclusive jurisdiction of circuit courts.³ Any general action at law where the amount in controversy exceeds \$15,000 must be filed in circuit court. The \$15,000 threshold has not changed since 1992.⁴

Filing Fees

The filing fee for a civil lawsuit in circuit court is \$400 or more (depending on the number of defendants and the nature of the case).⁵ The Legislature last raised filing fees for basic circuit court filings in 2009.⁶ The circuit court filing fee is allocated \$195 to the clerk as a filing fee; \$196 to the State Courts Revenue Trust Fund; \$5.50 to the Department of Financial Services Trust Fund; and \$3.50 to the Court Education Trust.⁷

The filing fee for a civil lawsuit in county court ranges from \$50 to a maximum of \$300, depending on the amount in controversy.⁸ The Legislature last raised filing fees for basic county court filings in 2008.⁹ The county court filing fee for a case with an amount in controversy greater than \$2,500 and up to \$15,000 is allocated \$280 to the clerk as a filing fee; \$16 to the State Courts Revenue Trust Fund; \$3.50 to the Court Education Trust; and \$0.50 to the Department of Financial Services Trust Fund.¹⁰

When a case is appealed from circuit court to a district court of appeal, the filing fee is \$400.¹¹ That fee is allocated \$50 to the State Courts Revenue Trust Fund; \$250 to General Revenue; and \$100 to the clerks of court.¹² When a case is appealed from county court to circuit court, the filing fee is \$281.¹³ That fee is allocated \$1 to the State Courts Revenue Trust Fund; \$0 to General Revenue; and \$280 to the clerks of court.¹⁴

¹ SS. 26.012(5), F.S., and 34.01(5), F.S.

² FLA. CONST. Art. V, ss. 5 and 6.; S. 26.012(2)(a), F.S.

³ S. 34.01(1)(c), F.S.

⁴ S. 1, Ch. 90-269, Laws of Fla. (raising the jurisdictional threshold from \$10,000 to \$15,000, effective July 1, 1992).

⁵ SS. 28.241, F.S., and 44.108(1), F.S.

⁶ S. 5, Ch. 2009-61, Laws of Fla.

⁷ SS. 28.241(1), F.S., and 44.108, F.S.

⁸ S. 34.041(1)(a), F.S.

⁹ S. 11, Ch. 2008-111, Laws of Fla.

¹⁰ SS. 34.041(1), F.S., and 44.108(1), F.S.

¹¹ SS. 28.241(2), F.S., and 35.22(2)(a), F.S.

¹² SS. 28.241(2), F.S., and 35.22(5), F.S.

¹³ S. 28.241(2), F.S.

¹⁴ S. 28.241(2), F.S.; *Increasing County Court Jurisdiction: Issues to Consider*, Report by Office of State Courts Administrator (Jan. 16, 2018).

Small Claims Court

Small claims court is a proceeding in county court where the amount in controversy is less than a specified amount, which is set by the Florida Supreme Court.¹⁵ Currently, the threshold is \$5,000,¹⁶ which was established in 1996.¹⁷ The small claims court threshold is independent of the county court jurisdictional threshold set by the Legislature.

Effect of Proposed Changes

PCB CJC 18-01 amends s. 34.01, F.S., to increase the county court's jurisdictional amount in controversy to \$50,000, beginning on July 1, 2018, through June 30, 2020. Actions at law with an amount in controversy up to \$50,000 will be filed in county court beginning July 1, 2018. The new threshold applies to all causes of action filed on or after July 1, 2018, regardless of when the cause of action accrues.

The bill also directs the Florida Supreme Court, beginning July 1, 2020, and every five years thereafter, to adjust the county court jurisdictional amount to reflect inflation using a formula based on the unadjusted Consumer Price Index for All Urban Consumers.¹⁸ The amount must be rounded to the nearest \$1,000.

The bill is effective on July 1, 2018, and applies to a cause of action filed on or after that date, regardless of when the cause of action accrued.

B. SECTION DIRECTORY:

Section 1: Amends s. 34.01, F.S., relating to jurisdiction of county courts.

Section 2: Provides an effective date of July 1, 2018.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The bill may have a recurring fiscal impact on revenue, commencing with FY 2018-19, based on the jurisdictional threshold change and the number of potential cases filed in county court, rather than circuit court, and the corresponding filing fee impacts of an estimated \$4,881,713. See Fiscal Comments, *infra*.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

The bill may have an estimated recurring positive fiscal impact on clerks of court revenue of \$2,285,093, commencing July 1, 2018. See Fiscal Comments, *infra*.

¹⁵ Fla. Sm. Cl. R. 7.010(b)

¹⁶ Fla. Sm. Cl. R. 7.010(b)

¹⁷ In re Amendments to the Florida Small Claims Rules, 682 So. 2d 1075 (Fla. 1996) (raising the amount from \$2,500 to \$5,000).

¹⁸ The Consumer Price Index (CPI) is a measure of the average change of prices over time (that is, inflation) and is widely used as an accurate way to adjust dollar values. It is published monthly by the U.S. Bureau of Labor Statistics. See

<https://www.bls.gov/cpi/questions-and-answers.htm>.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The bill appears to have a positive fiscal impact on the private sector. Raising the county court threshold increases the number of cases filed in county court with a lower filing fee. The lower filing fee will benefit businesses and individuals litigating an amount in controversy ranging from \$15,001 to \$50,000.

D. FISCAL COMMENTS:

The Office of the State Courts Administrator (OSCA) estimate of the fiscal impact the bill may have on the court system is based on comparative analysis of data from Virginia.¹⁹ There is no Florida-specific data to identify cases by the amount in controversy and thereby determine with certainty the number of circuit court cases that would move to county court under the bill. It is also unclear how those numbers will change over time under the bill, especially considering that cases originating in county court can be appealed to circuit court.

Data reported from a Virginia Department of Planning and Budget fiscal impact statement and Virginia case filing statistics were used to estimate the impact of the bill. OSCA determined that this Virginia data was the most comparable and recent data available to estimate the fiscal impact in Florida.²⁰ Without Florida-specific data, any estimate should be used with caution.

The chart below depicts how original filing fees received in county and circuit courts are distributed.

Allocation of Original Filing Fees in County and Circuit Courts		
	County Court	Circuit Court
Clerk	\$280.00	\$195.00
State Courts Revenue Trust Fund	\$16.00	\$196.00
Department of Financial Services Trust Fund	\$0.50	\$5.50
Court Education Trust	\$3.50	\$3.50
Total	\$300.00	\$400.00

Raising the county court threshold to \$50,000 will result in more cases being filed in county court, changing the amount of revenue distributed to the State Courts Revenue Trust Fund, the Department of Financial Services Trust Fund, and clerks.

Additionally, when a case is appealed from county court to circuit court, the allocation of filing fees are different from how the filing fees are allocated when a case is appealed from circuit court to a district court of appeal, as depicted in the chart below.

Allocation of Appellate Filing Fees in Circuit Courts and District Courts of Appeal		
	Circuit Court	DCA
Clerks of Court	\$280.00	\$100.00
State Courts Revenue Trust Fund	\$1.00	\$50.00
General Revenue Fund	-	\$250.00
Total	\$281.00	\$400.00

The bill will result in more cases originating in county court, meaning that an appeal from the county court will be taken to the circuit court instead of the district court of appeal. The disparity in appellate

¹⁹ *Increasing County Court Jurisdiction: Issues to Consider*, Report by Office of State Courts Administrator (Jan. 16, 2018) at 3.

²⁰ *Id.*

filing fees for a litigant appealing a case from county court to circuit court versus a litigant appealing a case from circuit court to a district court of appeal contributes to the indeterminate fiscal impact and is taken into consideration in the estimated fiscal impact.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES