

Alaska State Legislature

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FOR IMMEDIATE RELEASE • April 20, 2004

House Approves Small Claims and District Court Changes

Gruenberg co-authors popular House Judiciary bill

JUNEAU – Representative Max Gruenberg (D-Anchorage) today applauded the unanimous passage of House Bill 227 on the State House floor yesterday. Co-authored by Rep. Gruenberg and introduced by the House Judiciary committee, HB227 updates the jurisdictional limit for small claims and certain civil cases, and extends small claims jurisdiction for out-of-state defendants. The measure is supported by the State Chamber of Commerce.

"This is a common sense law," said Representative Gruenberg. "The monetary limit for small claims cases is 15 years old. It's time to update the limits for district courts and small claims."

In a statement explaining the bill, House Judiciary committee points out that the jurisdictional limit for district courts was last raised in 1990 when the legislature raised the limit from \$35,000 to \$50,000. "By raising the jurisdictional limit from \$50,000 to \$100,000, this bill will allow for increases in inflation and provide increased flexibility for litigants regarding whether to file in district court or superior court," reads the sponsor statement.

The jurisdictional limit on small claims court and magistrate court was last raised in 1997 when the legislature raised the limit from \$5,000 to \$7,500. Small claims court offers many advantages over district court to private litigants, including less formal discovery requirements, reduced filing fees, and relaxed evidentiary rules. This bill will increase the limit to \$10,000.

The bill also removes prohibitions against the district court hearing claims for false imprisonment, libel, slander, and malicious prosecution. These restrictions were adopted shortly after statehood. District court judges are well qualified and there is no reason to prohibit them from hearing these types of cases.

Finally, the bill will expand small claims jurisdiction over out-of-state defendants. Under current law, small claims actions against out-of-state defendants may only be brought under the landlord-tenant act or under AS 09.05.020, which authorizes service of process against owners or operators of motor vehicles involved in an accident in the state. The bill would authorize small claims jurisdiction over out-of-state defendants under traditional long-arm principles. This expanded long-arm jurisdiction is limited to district court judges. Magistrates will continue to limited by the standards set forth in current law.

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