

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6006**

**BILL NUMBER:** SB 123

**NOTE PREPARED:** Oct 21, 2003

**BILL AMENDED:**

**SUBJECT:** Jurisdiction of City and Town Courts.

**FIRST AUTHOR:** Sen. Mrvan

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**  **GENERAL**  
 **DEDICATED**  
 **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill increases the jurisdictional limit from \$3,000 to \$10,000 for certain city and town courts.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill would result in **some loss of revenue to the state General Fund.**

This bill applies to two different groups of city courts. The first group includes the city courts that are located in the cities with the four largest populations in Lake County and the court in the town that has the largest population in Lake County. The city courts are in Gary, Hammond, East Chicago, and Hobart. The town court is located in Merrillville.

The second group of city courts are located in third class cities that are not county seats. Note: Third class cities have populations of less than 35,000. These third class cities have city courts: Alexandria, Attica, Aurora, Batesville, Bicknell, Butler, Charlestown, Clinton, Dunkirk, Elwood, Gas City, Lake Station, Montpelier, Nappanee, New Haven, Union City, West Lafayette, and Whiting.

If the threshold for civil cases is increased from \$3,000 to \$10,000, then more civil cases could be filed in these city courts instead of in the trial courts in these counties.

The potential revenue loss to the state for each civil case that is filed in a city court instead of a court of

record is \$15. Under current law, when a civil case is filed in a trial court, the state General Fund receives \$70. (IC 33-19-7-1 specifies that 70% of the \$100 filing fee should be deposited in the state General Fund.) On the other hand, when civil cases are filed in city and town courts, the state General Fund receives \$55. (IC 33-19-7-4 specifies that 55% of the \$100 filing fee should be deposited in the state General Fund.)

**Explanation of Local Expenditures:** This bill could shift more cases from trial courts to city courts in 16 counties in Indiana. Whether these trial courts will need fewer resources because of this shift will depend on whether the decisions made by the judges in these city courts are appealed. When decisions are appealed in trial courts, a transcript is sent to the courts of appeal for review. When decisions that are made in city courts are appealed, they must be retried altogether in the trial court because the city courts do not keep transcripts of the decisions that are made.

**Explanation of Local Revenues:** Gain to the Local General Funds – If more cases are filed in city and town courts, more revenue would be deposited in local general funds. The local share of the \$100 civil filing fee for cases filed in trial courts is \$30, while the local share of the filing fee for cases filed in city courts is \$45, a \$15 difference.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts and city courts in Allen, Blackford, Clark, Dearborn, DeKalb, Elkhart, Fountain, Grant, Jay, Knox, Lake, Madison, Randolph, Ripley, Tippecanoe, and Vermillion Counties.

**Information Sources:** IC 33-19-7, Auditor Reports concerning court fees.

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