

SMALL CLAIMS AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kirk A. Cullimore

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to small claims actions.

Highlighted Provisions:

This bill:

- ▶ provides that a county justice court has territorial jurisdiction within the county over small claims cases;
- ▶ provides that a municipal justice court has territorial jurisdiction over small claims cases in the county that the municipal justice court resides;
- ▶ increases the amount of an action required for a small claims action;
- ▶ allows a debt collection agency to be an assignee for a small claims action; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

78A-7-105, as last amended by Laws of Utah 2014, Chapter 151

78A-8-102, as last amended by Laws of Utah 2017, Chapter 73

78A-8-103, as renumbered and amended by Laws of Utah 2008, Chapter 3



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Be it enacted by the Legislature of the state of Utah:

Section 1. Section **78A-7-105** is amended to read:

78A-7-105. Territorial jurisdiction -- Voting.

(1) (a) The territorial jurisdiction of county justice courts extends to the limits of the precinct for which the justice court is created and includes all cities or towns within the precinct, ~~[except]~~ other than cities where a municipal justice court exists.

(b) Notwithstanding Subsection (1)(a), the territorial jurisdiction of a county justice court extends for small claims actions to cities, within the precinct, where a municipal justice court exists.

(2) (a) The territorial jurisdiction of municipal justice courts extends to the corporate limits of the municipality in which the justice court is created.

(b) Notwithstanding Subsection (2)(a), the territorial jurisdiction of a municipal justice court for small claims actions extends to the precinct limits of the county in which the municipal justice court exists.

(3) Justice court judges have the same authority regarding matters within ~~[their]~~ the justice court's jurisdiction as judges of courts of record.

(4) A justice court may issue all extraordinary writs and other writs as necessary to carry into effect ~~[its]~~ the justice court's orders, judgments, and decrees.

(5) (a) Except as provided in this Subsection (5), a judgment rendered in a justice court does not create a lien upon any real property of the judgment debtor unless the judgment or abstract of the judgment:

(i) is recorded in the office of the county recorder of the county in which the real property of the judgment debtor is located; and

(ii) contains the information identifying the judgment debtor in the judgment or abstract of judgment as required in Subsection **78B-5-201(4)(b)** or as a separate information statement of the judgment creditor as required in Subsection **78B-5-201(5)**.

(b) The lien runs for eight years from the date the judgment was entered in the district court under Section **78B-5-202** unless the judgment is earlier satisfied.

(c) State agencies are exempt from the recording requirement of Subsection (5)(a).

Section 2. Section **78A-8-102** is amended to read:

59 **78A-8-102. Small claims -- Defined -- Counsel not necessary -- Removal from**
60 **district court -- Deferring multiple claims of one plaintiff -- Supreme Court to govern**
61 **procedures.**

62 (1) A small claims action is a civil action:

63 (a) for the recovery of money when:

64 (i) the amount claimed does not exceed [~~\$11,000~~] \$20,000 including attorney fees, but
65 exclusive of court costs and interest; and

66 (ii) the defendant resides or the action of indebtedness was incurred within the
67 jurisdiction of the court in which the action is to be maintained; or

68 (b) involving interpleader under Rule 22 of the Utah Rules of Civil Procedure, in
69 which the amount claimed does not exceed [~~\$11,000~~] \$20,000 including attorney fees, but
70 exclusive of court costs and interest.

71 (2) (a) A defendant in an action filed in the district court that meets the requirement of
72 Subsection (1)(a)(i) may remove, if agreed to by the plaintiff, the action to a small claims court
73 within the same district by:

74 (i) giving notice, including the small claims filing number, to the district court of
75 removal during the time afforded for a responsive pleading; and

76 (ii) paying the applicable small claims filing fee.

77 (b) A filing fee may not be charged to a plaintiff to appeal a judgment on an action
78 removed under Subsection (2)(a) to the district court where the action was originally filed.

79 (3) The judgment in a small claims action may not exceed [~~\$11,000~~] \$20,000 including
80 attorney fees, but exclusive of court costs and interest.

81 (4) (a) A counter claim may be maintained in a small claims action if the counter claim
82 arises out of the transaction or occurrence which is the subject matter of the plaintiff's claim.

83 (b) A counter claim may not be raised for the first time in the trial de novo of the small
84 claims action.

85 (5) (a) A claim involving property damage from a motor vehicle accident may be
86 maintained in a small claims action, and any removal or appeal of the small claims action,
87 without limiting the ability of a plaintiff to make a claim for bodily injury against the same
88 defendant in a separate legal action. [~~In the event that~~]

89 (b) If a property damage claim is brought as a small claims action:

90 ~~[(a)]~~ (i) a liability decision in an original small claims action or appeal of the original
91 small claims action is not binding in a separate legal action for bodily injury; and

92 ~~[(b)]~~ (ii) an additional property damage claim may not be brought in a separate legal
93 action for bodily injury.

94 (6) (a) With or without counsel, persons or corporations may litigate actions on behalf
95 of themselves:

96 (i) in person; or

97 (ii) through authorized employees.

98 (b) A person or corporation may be represented in an action by an individual who is
99 not an employee of the person or corporation and is not licensed to practice law only in
100 accordance with the Utah Rules of Small Claims Procedure as made by the Supreme Court.

101 (7) (a) If a person or corporation other than a municipality or a political subdivision of
102 the state files multiple small claims in any one court, the clerk or judge of the court may
103 remove all but the initial claim from the court's calendar in order to dispose of all other small
104 claims matters.

105 (b) A claim so removed shall be rescheduled as permitted by the court's calendar.

106 (8) A small claims matter shall be managed in accordance with simplified rules of
107 procedure and evidence made by the Supreme Court.

108 Section 3. Section **78A-8-103** is amended to read:

109 **78A-8-103. Assignee may not file claim.**

110 (1) "Third party debt collection agency" means the same as that term is defined in
111 Section [12-1-11](#).

112 (2) A claim may not be filed or prosecuted in small claims court by any assignee of a
113 claim~~[-]~~, unless the assignee is a third party debt collection agency.