

BILL ANALYSIS

Senate Research Center

S.B. 1500
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Jurisprudence
4-10-97
As Filed

DIGEST

Currently, a lawsuit that is filed in a justice court or a small claims court has a \$5,000 jurisdictional limit. This \$5,000 limit is exclusive of interest and costs but includes attorney's fees. This limits the ability of most litigants to hire an attorney because the jurisdictional limit is too low to allow a judgment for both the amount in controversy and for attorney's fees. The proposed legislation would exclude attorney's fees from the jurisdictional limit of the justice and small claims court cases filed in justice of the peace courts. In addition, this bill would provide a cap of \$2,500 on attorney's fees in each case.

PURPOSE

As proposed, S.B. 1500 sets forth regulations regarding the awarding of attorney's fees in justice and small claims court.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 27.031, Government Code, by amending Subsection (a) and adding Subsection (c), to provide that the justice court has original jurisdiction of civil matters in which exclusive jurisdiction is not in the district or county court and in which the amount in controversy is not more than \$5,000, exclusive of interest, attorney's fees and costs. Authorizes a person to be represented by an attorney in justice court. Prohibits the court from awarding attorney's fees of more than \$2,500 in each case.

SECTION 2. Amends Sections 28.003(a) and (c), Government Code, to provide that the small claims court has concurrent jurisdiction with the justice court in actions by any person for the recovery of money in which the amount in controversy is not more than \$5,000, exclusive of interest, attorney's fees, and costs. Makes a conforming change.

SECTION 3. Effective date: September 1, 1997.
Makes application of this Act prospective.

SECTION 4. Emergency clause.