

2009 HOUSE JUDICIARY

HB 1296

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1296

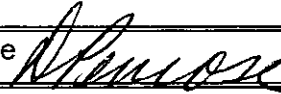
House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/20/09

Recorder Job Number: 7264

Committee Clerk Signature



Minutes:

Chairman DeKrey: We will open the hearing on HB 7264.

Troy DeWitz, Credit Manager, Butler Machinery Co: We support this bill. I have several letters of support from other area businesses to put into the record. This bill would raise the limit from \$5,000 to \$10,000 for a small claim. It was last raised 14 years ago. It went from \$3,000 to \$5,000 in 1995. That is a considerable amount of time. We should have come in sooner and asked it to be raised from \$5,000 to \$7,500 and then now ask for it to be raised to \$10,000. This was an oversight on our part. In looking at the increase, we looked at the cost of doing business, the increased costs in general. Minnesota is currently at \$7,500 and it is going to \$12,000 shortly. South Dakota is currently at \$12,000 already. This would be business friendly. This is an advantage to the plaintiff and the defendant. Small claims court is a reasonable venue for those people to be heard without the expense of a court case. If the defendant can't afford the bill, how is he going to be able to afford an attorney. In my experience with small claims court, as you get closer to the date, negotiation and communication will improve a little bit. As a plaintiff, we are a little more willing to settle because we haven't invested any cash as far as attorney fees, etc. The defendant can still

move the action to the district court if he so chooses. The small claims court is less time consuming – there aren't the appeals and there are cost savings to doing it this way.

Rep. Koppelman: On the bottom of page 1, line 24, it say “eight” thousand dollars. Should that say “ten” thousand dollars.

Troy DeWitz: We had originally looked at \$8,000 and maybe it wasn't changed when we went with the \$10,000. Attorneys who looked at this said that they usually don't want to take a case if it is under \$10,000 now.

Rep. Koppelman: I have no problem increasing the limit again, except for the fact that it is a small claims system, the amount seems a little high. In some small counties, the cases are heard by a judge. In some large counties they are heard by referees. Some referees are good and some aren't. There isn't an appeal process with the small claims court.

Troy DeWitz: The defendant can decide to remove the case from small claims court to the district court ahead of time.

Rep. Kretschmar: What is the filing fee in a small claims case.

Troy DeWitz: \$10 plus postage I believe.

Rep. Kretschmar: Have you had defendants go to district court.

Troy DeWitz: Yes, one or two cases over the past 14 years, but they never went as far as the court hearing.

Chairman DeKrey: Thank you. Further testimony in support.

Rep. Betty Grande: Sponsor, support. I have an amendment, line 24 should be \$10,000.

Chairman DeKrey: Thank you. Further testimony in support. Testimony in opposition. We will close the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1296


House Judiciary Committee

Check here for Conference Committee

Hearing Date: 1/28/09

Recorder Job Number: 7265

Committee Clerk Signature



Minutes:

Chairman DeKrey: We will take a look at HB 1296. What are the committee's wishes.

Rep. Griffin: I move the amendment of replacing the word "eight" with "ten" on page 1, line 24.

Rep. Wolf: Second.

Chairman DeKrey: Voice vote, motion carried. We now have the bill before us as amended.

Rep. Griffin: I move a Do Pass as amended.

Rep. Wolf: Second.

Rep. Kretschmar: I am going to oppose this motion. I do not believe we should raise the limit at all; not to \$10,000. That is a pretty good sum, and from the testimony from the sheriff this morning, really what small claims court should do, it should be for small claims. I don't think this amount is what the small claim is about.

Rep. Klemin: I'm going to vote yes, we haven't changed this since 1995. I understood the testimony to state that MN is \$12,000, SD is \$12,000. I don't know what other states are doing this at, but we certainly have had inflation since 1995, it hasn't been enough to double this, but certainly been quite a bit. I'd say inflation since 1995 has been 35-40%. I think it's time for us

to look at this and increase the amount. Nobody has to go to small claims court. They can go

to district court if they want to. Our district courts are overburdened with cases that are over \$5,000. If we can get some of these cases to small claims court, that will lessen the load on the district courts. Maybe there needs to be something done in Fargo. I've heard complaints about the referees in Fargo for years and it doesn't seem to be doing anything about it, but I don't think that is our responsibility.

Rep. Boehning: What will it cost in district court for fees and costs.

Rep. Klemin: There are a number of factors that will determine how much it may or may not cost; such as whether the case is on a contingency fee or hourly basis, jury or bench trial, is there going to be a need for witnesses, expert witnesses, amount of time into discovery prior to trial, pre-trial motions, post-trial motions. You can't predict the cost.

Rep. Dahl: You can represent yourself in court if you want to.

Rep. Klemin: Yes you can, but you're missing the point Rep. Boehning, the defendant can still take the case to district court if they want to. This would allow more claims to go to small claims court than we currently allow. By increasing the jurisdictional limit of the small claims court to \$10,000 we are keeping more of the cases out of the district court where you need an attorney and have to pay attorney fees and costs, allowing more cases to go to small claims court where you don't need an attorney and don't have to pay attorney fees. That should reduce costs.

Rep. Boehning: But if you don't like the judgment in the small claims court you can't appeal it.

Rep. Klemin: Small claims court is optional with both sides.

Rep. Delmore: This bill doesn't say someone can't go to district court if you want. I already can go to district court. But now I can weigh my options to go to small claims or district court.

This gives people the option to choose.

Rep. Hatlestad: Rep. Klemin, you mentioned that either side has the option of where they want the case heard. Does the defendant have the option to force the plaintiff into district court, even if they didn't want to go there.

Rep. Klemin: Yes, but if you remove the case from small claims court to district court as a harassment type of practice, when you don't really have a good reason for doing it, you could be responsible for the plaintiff's attorney fees under existing law. The reason you can't appeal from the small claims court is because there isn't a record kept of the proceedings.

Chairman DeKrey: The clerk will call the vote.

9 YES 3 NO 1 ABSENT DO PASS AS AMENDED CARRIER: Rep. Hatlestad

FISCAL NOTE
Requested by Legislative Council
01/30/2009

Amendment to: HB 1296

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill increases the jurisdiction of small claims court to include cases involving claims of \$10,000 or less. Small claims court currently may only handle cases when the amount claimed by the plaintiff or defendant does not exceed \$5,000.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

Section 1 of this bill would result in an increase in the number of cases filed in small claims court. The increase in small claims cases would be primarily offset by a reduction in cases filed in district court. The increase in small claims court cases and decrease in district court cases can not be determined. However, a transfer of cases to small claims court would result in a reduction of general and special fund revenue collections and increase county revenue collections. In 2007, there were 4,893 cases filed in small claims court. The amendment ties the maximum dollar amount for the counterclaim rule to the dollar amount for filing cases in small claims court.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

Pursuant to North Dakota Century Code Section 27-05.2-03, the filing fee for a small claims action is \$10, which is credited to the county treasurer. The filing fee for district court civil cases is \$80, of which a portion goes the civil legal services fund and the remainder is deposited in the state general fund. The transfer of cases from district court to small claims court would decrease general and special fund revenue collections and increase county revenue collections. The impact on revenues can not be determined.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The impact on expenditures is expected to be minimal.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

N/A

Name:	Don Wolf	Agency:	Supreme Court
Phone Number:	328-3509	Date Prepared:	01/30/2009

FISCAL NOTE
Requested by Legislative Council
01/13/2009

Bill/Resolution No.: HB 1296

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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N/A

Name:	Don Wolf	Agency:	Supreme Court
Phone Number:	328-3509	Date Prepared:	01/14/2009

VK
1/28/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1296

Page 1, line 24, replace "eight" with "ten"

Renumber accordingly

Date: 1/28/09
Roll Call Vote #: 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1296

HOUSE JUDICIARY COMMITTEE

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken DP DNP DP AS AMEND DNP AS AMEND

Motion Made By Rep. Griffin Seconded By Rep. Wolf

Representatives	Yes	No	Representatives	Yes	No
Ch. DeKrey	✓		Rep. Delmore	✓	
Rep. Klemin	✓		Rep. Griffin	✓	
Rep. Boehning		✓	Rep. Vig	✓	
Rep. Dahl	✓		Rep. Wolf	✓	
Rep. Hatlestad	✓		Rep. Zaiser		
Rep. Kingsbury	✓				
Rep. Koppelman		✓			
Rep. Kretschmar		✓			

Total (Yes) 9 No 3

Absent 1

Floor Carrier: Rep. Hatlestad

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

HB 1296: Judiciary Committee (Rep. DeKrey, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends **DO PASS** (9 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1296 was placed on the Sixth order on the calendar.

Page 1, line 24, replace "eight" with "ten"

Renumber accordingly

2009 SENATE JUDICIARY

HB 1296

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB1296

Senate Judiciary Committee

Check here for Conference Committee

Hearing Date: 3/2/09

Recorder Job Number: 9945

Committee Clerk Signature



Minutes: **Senator Nething, Chairman**

Relating to limits on small claims actions.

Representative Betty Grande – Introduces the bill – Said that Industry is asking for this change.

Troy Dewitz – Credit Mgr. of Butler Machinery, Fargo – He wants to see the limit for small claims court raised from \$5,000 to \$10,000. He said it hasn't been raised since 1995. He lists 3 advantages for doing this. He called several businesses throughout the state and no one was opposed to this. He thought he was doing it for businesses but found out there is many residents that would like this. He hands out letters from businesses in support of this bill.

Senator Olafson – Asks him how many of his claims fall between \$5,000 and \$10,000.

Dewitz – Responds, maybe a third of what he is looking at for his business.

Senator Olafson – Asks if he would like to raise it even more.

Dewitz – Says they would have liked that but didn't want to appear greedy.

Claus Lembke – ND Association of Realtors – In support of this bill. Says it is an excellent tool to settle disputes.

Close the hearing on 1296.

Senator Olafson motions do pass

Senator Schneider seconds

Vote – 6-0

Senator Nething will carry

REPORT OF STANDING COMMITTEE

HB 1296, as engrossed: Judiciary Committee (Sen. Nething, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1296 was placed on the Fourteenth order on the calendar.

2009 TESTIMONY

HB 1296

WESTLIE

FORD • LINCOLN • MERCURY

500 South Broadway • P.O. Box 548 • Minot, ND 58702 • 701-852-1354

November 17th, 2008

To Whom It May Concern:

Westlie Motors is strongly in favor of changing the small claims limit from \$5,000 to \$10,000. The benefit would help reduce costs to our business in our efforts in collecting on our accounts receivables. The change would allow us to collect on accounts that would not be worth collecting due to attorney and legal fees.



Stacy Frank
Business & Credit Manager



DON WILHELM INC.

www.donwilhelm.com

305 Business Loop West • Jamestown, ND 58401 • 701-252-2950 • 1-800-450-2950 • Fax 701-252-8094



GMC



Jeep



December 5, 2008

61st Legislative Assembly

To Whom It May Concern:

We are in support of the request to raise the Small Claims limit from \$5000 to \$10,000.

Since the limit has not been increased for 14 years, our Dealership feels that this increase will benefit all North Dakota Businesses.

Sincerely,

Mary Klundt

Mary Klundt

Accounts Receivable/Collections

Don Wilhelm, Inc.

Vining Oil & Gas, LLC

301 2nd Ave. NW
Jamestown, ND 58401

Telephone: 701-252-0890

61st Legislative Assembly

This letter is to support raising the limit for ND small claims from \$5000.00 (five thousand Dollars) to \$10,000.00 (Ten Thousand Dollars). Due to the high cost of product and delivery, raising this limit would help keep small business in North Dakota

Respectfully submitted

Joanna Vining

Vining Oil & Gas LLC

SUPERIOR AUTO

Buchweitz, Haugen, & Korgel Inc.

2910 4th St SW
Minot ND 58701

Tel. 701-839-6350

Fax 701-839-6844

December 5, 2008

To: 61st Legislative Assembly

Re: North Dakota Small Claims Limit Change

Buchweitz, Haugen, & Korgel Inc. support the proposal to raise the Small Claims limit from \$5,000 to \$10,000.

We feel it would improve a claimants ability to seek a quick remedy with less hassle than might be encountered in a higher court. In today's market it does not take much to develop a \$10,000 bill, thus the \$5,000 limit is too low.

Sincerely



Jeff Buchweitz, Pres.
Buchweitz, Haugen, & Korgel Inc.

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3940 15th Avenue North – P.O. Box 2727 – Phone (701) 281-1734 – Fax (701) 281-9799
Fargo, North Dakota 58108 – www.dacotahpaper.com

December 10, 2008

To Whomever it may concern:

Re: Small Claims Limit

We are a wholesale/distributor based in Fargo ND, however, we have sales reps living throughout the state that work out of their homes. We have a customer base that includes most cities and towns throughout North Dakota.

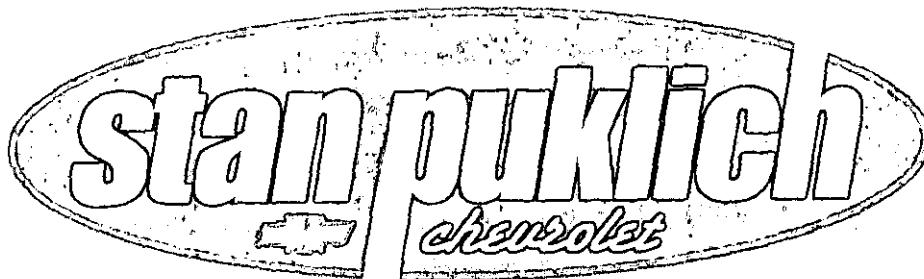
We have been fortunate to not need the services of the Small Claims Court very often. When we have, however, it has been very effective in solving potential disputes without incurring large court costs. I am currently working on a claim in Watertown SD on a personal guarantee issue.

I believe that raising the limit for the small claims court would be a positive move as it would allow larger claims to be resolved without undue expense to either party.

Sincerely



Gary M Pedersen, VP



Date: December 09, 2008

To: 61ST Legislative Assembly

Subject: North Dakota Smalls Claim Court Limit Change

I support the proposal to raise the limit from \$5000 to \$10000 on behalf of North Dakota Business's Statewide.

The cost of recovery for engines, transmissions, body repair, etc. has increased dramatically over the last 14 years and this is the right time to make a positive change and limit adjustment for all independent companies.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Kesler", is written over a horizontal line.

Bill Kesler

Finance Director

December 11, 2008

61st Legislative Assembly

Dear ND 61st Legislative Assembly,

I am writing in support of a request to raise the small claims limit from \$ 5,000 to \$10,000.

With the changing times, it is important we keep up in all areas including the managing of resources available to companies to collect past due accounts. The current limit of \$5,000 is too low to make small claims court a viable method of assisting with collections.

Thank you for your consideration of this matter.

Sincerely,



Kari Newman Ness
CEO
Newman Signs Inc



1606 6th Ave. S.W./P.O. Box 1728
Jamestown, ND 58402-1728
701-252-1970
Wats 800-337-9770
Fax 701-252-7325



December 2, 2008

Re: North Dakota Small Claims Limit Increase

61st Legislative Assembly,

Butler Machinery Company whole-heartedly supports increasing the Small Claims limit to \$10,000. It has been 14 years since this limit was changed. In addition, the recent economic turbulence has made this the opportune time for an adjustment.

Both residents and businesses benefit from a higher limit through decreased legal costs. Small Claims Court is also a time savings to everyone, including the court system.

As North Dakota strives to attract new businesses while retaining current businesses, increasing the limit to align ourselves with that of the surrounding states makes good business sense.

Thank you for your time and consideration.

Troy DeWitz
Credit Manager
Ph: 701-298-1749 or 800-873-8858
Fx: 701-476-3212 or 701-298-1749
troydewitz@butler-machinery.com

Fargo 58104
3402 36th St S
701-280-3100

Grand Forks 58201
1201 S 46th St
701-775-4238

Jamestown 58401
1910 27th Ave SE
701-251-1400

Bismarck 58501
3630 Miriam Ave
701-223-0890

Minot 58701
1505 Hwy 2, Bypass E
701-852-3508

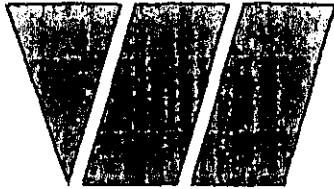
Training Center/H.O. 58104
8401 33rd St S
701-298-1700

Aberdeen 57401
4950 E Hwy 12
605-225-6240

Sioux Falls 57107
3201 N Louise Ave
605-336-3010

Pierre 57501
801 N. Garfield Ave
605-224-5400

Rapid City 57702
3601 Deadwood Ave N
605-342-4850



WALLWORK
TRUCK
CENTER

A DIVISION OF W.W. WALLWORK, INC.

November 24, 2008

Sixty-first Legislative Assembly of North Dakota

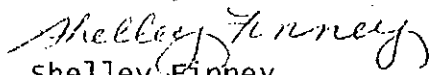
To Whom It May Concern:

I am the credit manager for wallwork Truck Center, a North Dakota business since 1945. We are a truck and trailer dealership and have a Leasing division, having stores in Bismarck, Williston and Fargo ND. My position here involves collection of debts owed by customers who charge parts and service on an open account.

At this time, I would like to show my support for the move to increase the Small Claims Court limit from \$5,000 to \$10,000. I use this division of court whenever I can to collect for overdue balances. When balances are over the limit, it presents a lengthy and costly procedure, which can eliminate any gain from collection from the debtor. Not to mention, this high cost of litigation also affects the debtor for his defense.

In today's troubling economy and in keeping in line with inflation, this appears to be an easy solution to solving a large concern of creditors and debtors alike in the state of North Dakota.

Sincerely,


Shelley Finney
Credit Manager

"THE TRUCK PEOPLE"

5th St. NW • P.O. Box 1819 • Fargo, ND 58107-1819
1-800-937-3003
1-701-476-7000 • Fax 1-701-476-7001

1910 Hancock Dr. • P.O. Box 2257 • Bismarck, ND 58502-2257
1-800-224-4003
1-701-224-1026 • Fax 1-701-224-1136

VISIT US ON THE WEB AT: www.wallworktrucks.com



Allied Building Products Customer Financial Services

November 18th, 2008

Sixty-first Legislative Assembly of North Dakota

Dear Sir / Madam:

I am writing in support of a proposed increase in North Dakota's Small Claims Court limit, from \$5000 to \$10,000. Small Claims Court remains the most efficient, most cost-effective venue to settle civil disputes. A larger limit will place more cases in Small Claims, and allow the higher courts more time to devote to their cases. With the larger limit, Small Claims will allow quicker access to justice, quicker decisions, and substantially fewer expenses for the litigants.

Allied Building Products has branches in Bismarck and Fargo, in addition to more than 150 branches throughout the US. We primarily sell roofing and siding products (wholesale) for both residential and commercial applications. In the last 12 months, several of these products have doubled in price, leading to larger and larger customer balances. Many states have adopted Small Claims limits far above \$5000, which translates into tremendous savings in collection costs. In our slowing economy, I believe a higher limit will foster a more business-friendly environment in North Dakota.

Thank you for your consideration.

Regards,

Bruce Morrison
National Credit Manager
Allied Building Products Corp.
2001 1st Avenue North
Fargo, ND 58102
Phone (701) 476-4439
bruce.morrison@alliedbuilding.com



Run Smart™

Fargo Freightliner

3440 36th St. SW
P.O. Box 11057
Fargo, North Dakota 58104-1057
Phone: (701) 293-9133
Fax: (701) 293-0325

December 5, 2008

Re: North Dakota Small Claims Limit Change

61st Legislative Assembly,

The Small Claims limit should be raised from \$5,000 to \$10,000. The last time it was raised was 14 years ago. This is an issue that needs to be re-evaluated. Increasing this limit would truly benefit all North Dakota Businesses.

Thank you for your time,

Shane Giesen

Controller

Fargo/Forks Freightliner

December 9, 2008

Re: Small Claims Limit

Attn: Sixty-first Legislative Assembly of North Dakota

I would like to see the Small Claims limit raised from \$5,000.00 to \$10,000.00. We have two Dealership locations. Are locations are in Grand Forks and Fargo. It would be a great benefit to our business to have this increase so we would be able to handle collections matters in an easier way without having to hire an attorney. The filing fee is small and the defendant may pay the debt to avoid going to court. Please consider raising this limit.

Sincerely yours,

Sandra Hall
Credit Manager
RDO Truck Centers



**northern
water works supply**
FERGUSON WATERWORKS

December 5, 2008

61st Legislative Assembly

To Whom It May Concern:

We request that the small claims limit be raised from \$5,000 to \$10,000. In these economic times we find that we are faced with having to hire attorneys to collect what has been sold and is rightfully due our company. By raising the small claims court limit to \$10,000, this would allow us to obtain judgments and collect without the expense of costly attorneys. We respectfully request that you raise the limit from \$5,000 to \$10,000.

Sincerely,

Holly Welch
Credit Manager
Northern Water Works Supply



BORDER STATES
Supply Chain Solutions™

105 25th Street North
Fargo, ND 58102-4002
701.293.5833 phone
701.232.7673 fax

11-26-08

To: Sixty First Legislative Assembly of North Dakota

From: Border States Electric – Locations in Williston, Bismarck, Dickinson,
Minot, Fargo and Grand Forks ND

Re: Raising the ND Small Claims Limit

Dear Assembly:

Border States would very much like to see the North Dakota Small Claims Limit raised from \$5000 to at least \$8000 to \$10,000. With the slowing troublesome economy the way that it is, more and more suppliers are having to file small claims in order to try and collect from past due customers.

Every state around us has higher limits and it is time that North Dakota also raised the limit from \$5000.00.

Thank you for your time and consideration.

Sincerely,

Border States Electric

A handwritten signature in black ink that reads "Carol Harms".

Carol Harms
Customer Financial Services Supervisor



COOK SIGN CO.

December 5, 2008

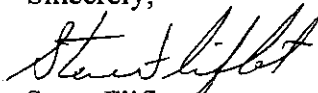
ND 61st Legislative Assemble
via Troy DeWitz
Butler Machinery Company
PO Box 9559
Fargo, ND 58106-9559

Re: ND Small Claims Limit Increase

This letter is a request to the ND 61st Legislative Assemble to grant the request to increase the dollar limit allowed in ND Small Claims Court to at least \$10,000.

Our business has used the Small Claims Court several times over the years and it is a very fair and effective way to settle disputes and enforce collection issues.

Sincerely,



Steve Fliflet
VP - CFO



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PHONE (701) 235-5323 • FAX (701) 235-5325



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December 30, 2008

61st Legislative Assembly

By way of introduction, my name is William K Blixt, and I have been a Credit Manager for the past 35 years. Presently I am employed by Western Products, Inc., and have been for the past 24 years. Like many other companies in North Dakota, we are a small family owned business. As such, we find it essential to maintain costs, especially in the recovery of accounts receivable. Over the years, it has become increasingly difficult to collect those accounts receivable.

When does an account need to be turned over for collection? Statistics show that an account becomes less collectable the longer it remains unpaid. Knowing that legal fees, or collection costs can be from 33 1/3 % to 50% and are not recoverable in North Dakota, we wait in hopes the debtor will pay; sometimes negotiating a settlement to avoid the time and expense of collection.

Small Claims Court offers a good alternative. Usually a case can be heard within 6 weeks. There is no need for legal representation, so both the plaintiff and defendant are not required to hire an attorney, they merely present their case to the Judge who then makes a ruling. At the present time the Small Claims Court limit in North Dakota is \$5000, and has been for over 14 years. We feel the limit needs to be raised to \$10,000 to come in line with the present day needs.

By raising the limit to \$10,000 we will be relieving the higher courts of some of those cases that should be handled in Small Claims Court. We would not only be extending to business but also to the consumer the ability to handle their own cases under \$10,000. A greater majority disputes/issues and collections which are easy to understand and resolve could then be handled in Small Claims Court in a more timely fashion. Alternatively, it remains questionable whether an attorney can profitably prosecute and collect claims under \$10,000, and at the same time maximize the outcome for their client.

Please vote to raise the Small Claims Court limit to \$10,000. Thank you.

Sincerely



William K Blixt



Cole

January 12, 2009

61st Legislative Assembly of ND

Subj: Increase of Small Claims Limit

I feel that the limit needs to be updated from the current level of \$5,000 to \$10,000. With the increased costs of legal collections I feel that this change is now needed. A higher limit in other states produces cost savings for both parties in a dispute. The increase would accommodate processing more claims more effectively from those that may be cost prohibited from using an attorney. These are just a few of the reasons I feel that it should be changed at this time.

Sincerely,

Kenneth Dahl

Vice President – Credit Department

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LOCATIONS

Grand Forks • Minot • Mandan • Fargo