

**HOUSE BILL NO. 1417**

Introduced by

Representatives Klemin, Hogan, Kretschmar

Senators Sitte, Sorvaag, Unruh

1 A BILL for an Act to amend and reenact sections 27-08.1-01 and 27-08.1-03 of the North  
2 Dakota Century Code, relating to limits on small claims court actions.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. AMENDMENT.** Section 27-08.1-01 of the North Dakota Century Code is  
5 amended and reenacted as follows:

6 **27-08.1-01. Small claims court - Jurisdictional limits - Venue.**

7 1. All judges of the district courts may exercise the jurisdiction conferred by this chapter,  
8 and while sitting in the exercise of that jurisdiction must be known and referred to as  
9 the "small claims court". The jurisdiction of this court is confined to cases for recovery  
10 of money, or the cancellation of any agreement involving material fraud, deception,  
11 misrepresentation, or false promise, when the value of the agreement or the amount  
12 claimed by the plaintiff or the defendant does not exceed ~~ten~~fifteen thousand dollars.

13 2. The proceedings in this court must be commenced:

14 a. If the defendant is a corporation, limited liability company, or a partnership, in any  
15 county in which the defendant has a place of business or in any county in which  
16 the subject matter of the claim occurred.

17 b. If the claim is for collection of a check written without sufficient funds or without  
18 an account, in the county where the check was passed, or in the county of the  
19 defendant's residence or place of business.

20 c. If the defendant is an individual and the claim is for collection of an open account  
21 on which credit has been extended:

22 (1) In the county of the defendant's residence or place of business; or

1                   (2) If the amount of the claim is less than one thousand dollars and is not from  
2                   a telephone or mail order transaction, in the county where the transaction  
3                   occurred or in the county of the defendant's residence or place of business.

4           d. If the defendant is an individual and the claim is not made under subdivision b  
5           or c, in the county of the defendant's residence.

6           e. If the defendant is an individual and the claim arose as the result of the  
7           defendant's lease of real property, in the county where the defendant resides or  
8           in the county where the real property is located.

9           f. If the plaintiff is a political subdivision and the claim is for a public utility debt, in  
10           the county in which the political subdivision is located.

11       3. Except for an action under subdivision c, e, or f of subsection 2, the defendant may  
12       elect to remove the action to a small claims court in the defendant's county of  
13       residence. A claim may not be filed by an assignee of that claim. A garnishment or  
14       attachment may not issue from this court until after judgment is entered.

15       **SECTION 2. AMENDMENT.** Section 27-08.1-03 of the North Dakota Century Code is  
16       amended and reenacted as follows:

17       **27-08.1-03. Informal hearing - Answer and counterclaim - Filing and service fees -**  
18       **Examination of debtor.**

19       No formal pleadings other than the claim affidavit and order for appearance may be  
20       required, and the hearing and disposition of actions must be informal. A court reporter is not  
21       required to be present to take the testimony unless arranged for and paid for by one of the  
22       parties to the action. The defendant may file an answer, and file a claim affidavit setting forth  
23       any new matter constituting a counterclaim, not to exceed ~~ten~~fifteen thousand dollars, which  
24       must be served upon the plaintiff by a person of legal age, not a party to or interested in the  
25       action, or mailed to the plaintiff by certified mail, not later than forty-eight hours before the  
26       hearing set for the appearance of the defendant. The compulsory counterclaim rule does not  
27       apply to counterclaims in excess of ~~ten~~fifteen thousand dollars. At the hearing, the plaintiff and  
28       the defendant may appear without counsel. The court will conduct the proceedings and may  
29       make its own inquiry before, during, or after the hearing. After the court has found that money is  
30       owing by any party to the proceeding, the court may, in the presence of the prevailing party,  
31       inquire of the debtor as to plans for payment of the debt. The court may examine the debtor

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1 concerning the property owned by the debtor, at the hearing, as would be made under chapter  
2 28-25. The examination may be made without first having issued an execution against the  
3 property of the debtor and without further notice as otherwise provided in chapter 28-25. A trial  
4 by jury is not allowed in small claims court. A fee as prescribed in subdivision c of subsection 1  
5 of section 27-05.2-03 must be charged for filing the claim affidavit.