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COURTS Magistrate Courts: Provide for the Monetary Jurisdiction of Civil Claims in Magistrate Court to Be Set at $15,000

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COURTS

Magistrate Courts: Provide for the Monetary Jurisdiction of Civil Claims in Magistrate Court to Be Set at $15,000

CODE SECTION: O.C.G.A. § 15-10-2 (amended)
BILL NUMBER: SB 82
ACT NUMBER: 403
GEORGIA LAWS: 1999 Ga. Laws 834
SUMMARY: The Act amends the general provisions regarding magistrate courts. The Act raises the monetary jurisdiction of civil claims in magistrate courts to an amount demanded or value of property claimed from $5000 to $15,000.

EFFECTIVE DATE: July 1, 1999

History

Prior to the bill's enactment, Georgia magistrate courts had jurisdiction over civil claims that did not fall within the exclusive jurisdiction of the superior courts and did not exceed $5000. The Act raises the amount in controversy, giving magistrate courts jurisdiction over claims up to $15,000. Senators René Kemp of the 3rd District, Daniel Lee of the 29th District, and Billy Ray of the 48th District introduced the bill to make it easier for citizens to bring actions in magistrate court.

SB 82

A bill similar to SB 82 passed in the Senate in 1998 but did not survive in the House of Representatives. The 1999 bill passed in the Senate on February 2, 1999 and the House on March 22, 1999.

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3. See Telephone Interview with Sen. Billy Ray, Senate District No. 48 (May 19, 1999) [hereinafter Ray Interview].
4. See id.

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According to Senator Lee, the sponsors introduced the bill "to take the load off the superior courts and to expedite and save on costs." A survey conducted by the insurance industry indicated that claims for less than $15,000 made up over seventy-five percent of all superior court cases. Senator Lee personally supported SB 82 because he believed it was a simple bill, and he considered it a form of tort reform, something he believed was very necessary. He also believed that it would ultimately save defendants in insurance suits attorneys fees because insurance adjusters could represent them in magistrate courts.

Senator Ray supported the bill because he believed it would make it easier for homeowners to recover against builders. While Senator Ray said that he and most Republican legislators do not usually support judicial legislation, he did so in this case because many of his constituents own homes.

The Act

The Act increases the amount in controversy of civil claims that may be brought in magistrate court to $15,000. Previously in Georgia, plaintiffs could not bring claims exceeding $5000 in magistrate court.


Opposition to SB 82

Though it faced almost no opposition in the Senate or the House, SB 82 created controversy. Lobbyists for insurance companies spoke vehemently against it in the Senate Judiciary Committee. They
argued that insurance companies want to avoid litigation and claimed that raising the amount in controversy for magistrate court jurisdiction would make it easier and cheaper for plaintiffs to bring to suit. Furthermore, state court judges were not very supportive of the bill, because it would allow more cases to be brought in courts other than their own.

Others criticized SB 82 because it would allow insurance adjusters to represent defendants in more cases before magistrate courts. A debate has raged for years on whether or not this constitutes practicing law without a license. Senator Lee believes that the adoption of this bill will place even greater emphasis on the issue and possibly lead to a resolution.

James M. Spielberger