

# Administrative Office of the Courts

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## **Judicial Branch testimony neither for nor against LD 654, An Act to Adjust the Maximum Small Claim Limit Based on the Consumer Price Index:**

Senator Carney, Representative Kuhn, members of the Joint Standing Committee on Judiciary, my name is Julie Finn and I represent the Judicial Branch. I would like to present testimony and information regarding LD 654.

This bill changes the jurisdictional limit for small claims cases from \$6,000 to \$6,000 plus an annual adjustment based on the Consumer Price Index (CPI). The first adjustment would occur on January 31, 2026.

Although the Judicial Branch takes no position on whether the current limit of \$6,000 should be adjusted, I note that the current version of 14 M.R.S. § 7482 requires the Legislature to review the monetary limit every four years, but the last change was in 2009. Maine is roughly in the middle of the pack, with other states limits ranging from a low of \$2,500 to a high of \$25,000, with majority between \$5,000 and \$10,000.

The proposed change requiring an annual adjustment based on the CPI however, may create difficulties and confusion for the public. Annual adjustments to the jurisdictional limit will not appear in the statute and may be harder for an individual litigant to find. Such adjustments could not timely appear in the printed small claims information packets we hand out. It would be clearer for everyone involved to simply provide for future adjustments in the statute by dollar amount, and less frequently than every year.

If the Committee does support an annual change in the maximum, it is unclear precisely what calculation section 2 contemplates as the initial adjustment "by calculating the proportionate change" in the CPI "from 2009 to the most recent available year." If annual adjustments will be required, it would be helpful to calculate the initial adjustment as required by section 2 of LD 654 and incorporate it into section 1, with annual adjustments to occur thereafter. That way the baseline of \$6000 would be adjusted upward in the text of the statute and the starting point for adjustments beginning January 31, 2026 would be clear.

In addition, as the bill is drafted, it is also unclear when the annual adjustment is effective. It would be helpful to specify what event triggers application of the jurisdictional

limit, such as the date of filing of the claim. *See Ahlgren v. Fabian*, 1999 ME 6 (noting that the small claim was governed by the statutory limit in effect at the time of filing of the claim.). *Cf.* 1 M.R.S. § 302.

The implementation of this change might create some unintended consequences that we wanted to raise for your consideration.

Thank you for your time.