

Small Claims Not So Small

After lengthy debates and numerous revisions, the Massachusetts' Legislature has come to terms on a bill that will hopefully energize and reorganize economic development in the Commonwealth.

While the new bill contains changes that will impact a variety of economic sectors, it changes existing laws regarding actions brought in small claims court. In fact, the changes specified below apply as of **August 1st, 2010**. Sections 21 through 25 of Massachusetts General Law Chapter 218, which govern the procedures of small claims actions, formerly restricted the dollar amount of a plaintiff's claim to \$2,000. In an effort alleviate the heavily burdened trial courts and afford citizens of the Commonwealth additional avenues to settle relatively small claims, the new bill will increase the upper limit to \$7,000.

In addition to increasing the claims limit, or perhaps because of the increase, the new bill also contains provisions for determining the dollar amount of entry fees associated with bringing a claim. Previously, entry fees were set at \$20 for claims under \$500 and \$30 for claims over \$500. Due to the increase in the claims limit, the filing fees have been adjusted accordingly into a tiered system. The new guidelines call for an entry fee of \$30 for claims of \$500 or less, \$40 for claims greater than \$500 but less than or equal to \$2,000, \$90 for claims greater than \$2,000 but less than or equal to \$5,000, and \$140 for claims greater than \$5,000. This tiered system is partially intended to control the volume of claims filed by corporations seeking to acquire consumer debt.

Remaining unchanged is the \$10 surcharge associated with all small claims actions, paid in addition to the entry fee by the plaintiff, and applied toward the Massachusetts General Fund.