

Sent by E-Mail Only

January 27, 2021

Representative David Yacovone
Vermont House of Representatives
dyacovone@leg.state.vt.us

Re: H.112 Increasing the Small Claims Court Limit to \$10,000

Dear Dave:

Thank you for sponsoring H.112. My understanding is that the House Judiciary Committee will be holding a hearing on Friday, January 29, 2021, regarding this bill. Here are some of the reasons why I think the jurisdictional limit should be increased from \$5,000 to \$10,000:

1. This is an access to justice issue. It would be better if the jurisdictional limit was increased to \$15,000 or \$20,000, but \$10,000 is the average for small claims courts across the country. There are several states with jurisdictional limits at \$20,000 and \$25,000, so such a high limit is not unheard of. While many lawyers provide pro bono services, there is still a great unmet need for Vermonters to have access to the courts. Whether it is a dispute with an insurance company, a contractor trying to collect payment or a small business that cannot afford a lawyer, or any other matters that do not justify legal expense, the sum of \$5,000 is very low. People should not be denied access to the courts merely because they cannot afford an attorney.

2. I am concerned about aggressive action taken by credit card companies or debt collection companies. There are a few states that have a lower jurisdictional limit for claims involving consumer credit transactions. Therefore, perhaps the bill could be amended to limit claims involving consumer credit transactions to \$5,000.

3. If the jurisdictional limit is increased to \$10,000, it is possible that fewer cases will be filed in the civil division of the Superior Court. Cases that are litigated in small claims court proceed with more speed, efficiency and lower costs. This would potentially free up cases that are filed in the civil division.

4. Raising the jurisdictional limit for small claims court will provide many Vermonters with an increased opportunity to pursue claims at a lower cost, or pursue claims that they would not otherwise bring because of the cost of legal counsel.

5. As noted above, this is an access to justice issue. According to HALT, a national non-profit consumer advocacy group promoting reforms in the legal system, each year tens of millions



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of people with low and moderate incomes that need legal help are denied access to the civil justice system, simply because they cannot afford to hire a lawyer. Open and accessible small claims courts offer one way to address the gap in access to justice that exists between those in upper-income brackets and those with average or lower incomes.

6. The legislature increased the jurisdictional limit from \$2,000 to \$3,500 on June 4, 1995, and from \$3,500 to \$5,000 on June 21, 2007. For inflationary reasons, the limit should be increased.

Please feel free to contact me at any time to discuss this matter.

Thank you again for sponsoring this bill.

Sincerely,

/s/ David Polow

David Polow

DP/hls

cc via e-mail: Therese M. Corsones, Esq. at tcorsones@vtbar.org