# A BILL FOR AN ACT

RELATING TO THE SMALL CLAIMS DIVISION OF THE DISTRICT COURT.

## BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

| 1  | SECTION 1. The purpose of this Act is to establish the           |
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| 2  | exclusive jurisdiction of the small claims division of the       |
| 3  | district court over cases in which the amount claimed is \$1,000 |
| 4  | or less and to make clarifying and housekeeping amendments.      |
| 5  | SECTION 2. Section 633-27, Hawaii Revised Statutes, is           |
| 6  | amended to read as follows:                                      |
| 7  | "§633-27 District courts; powers. (a) All district               |
| 8  | courts, except as otherwise provided, shall exercise             |
| 9  | jurisdiction conferred by this chapter, and while sitting in the |
| 10 | exercise of that jurisdiction, shall be known and referred to as |
| 11 | the small claims division of the district court; provided that   |
| 12 | the jurisdiction of the court when sitting as a small claims     |
| 13 | division of the district court shall be confined to:             |
| 14 | (1) Cases for the recovery of money where the amount             |
| 15 | claimed [does not exceed \$5,000 exclusive of interest           |
| 16 | and costs, except as provided by section 633-30; is              |
| 17 | \$1,000 or less exclusive of interest and costs;                 |

| 1  | (2)                          | Cases for the recovery of money where the amount                                |
|----|------------------------------|---|
| 2  |                              | claimed is more than \$1,000 but does not exceed \$5,000                        |
| 3  |                              | exclusive of interest and costs, except as provided by                          |
| 4  |                              | section 633-30;   |
| 5  | [ <del>(2)</del> ]           | (3) Cases involving disagreement between landlord and                           |
| 6  |                              | tenant about the security deposit in a residential                              |
| 7  |                              | landlord-tenant relationship; and   |
| 8  | [ <del>(3)</del> ]           | (4) Cases for the return of [ <del>leased or rented</del> ]                     |
| 9  |                              | personal property worth [ <del>less than</del> ] \$5,000 [ <del>where the</del> |
| 10 |                              | amount claimed owed for that lease or rental is less                            |
| 11 |                              | than \$5,000 exclusive of interest and costs.] or less.                         |
| 12 | <u>(b)</u>                   | This chapter shall not abridge or affect the                                    |
| 13 | jurisdict                    | ion of the district courts under [ <del>paragraphs (1) and</del>                |
| 14 | <del>(3)</del> ] <u>subs</u> | ection (a)(2) and (4) to determine cases under the                              |
| 15 | ordinary p                   | procedures of the court, it being optional with the                             |
| 16 | plaintiff                    | in the cases to elect the procedure of the small                                |
| 17 | claims di                    | vision of the district court or the ordinary                                    |
| 18 | procedure                    | s, as provided by rule of court.  |
| 19 | <u>(c)</u>                   | No case filed in the small claims division [after                               |
| 20 | <del>December :</del>        | 31, 1991,] shall be removed from the small claims                               |

1 division to be heard under the ordinary procedures of the 2 district court unless the removal is agreed to by the plaintiff. 3 In cases arising under [paragraph (2),] subsection 4 (a) (1) or (3), the jurisdiction of the small claims division of 5 the district court shall be exclusive; provided that the 6 district court, having jurisdiction over a civil action 7 involving [summary possession,] a residential landlord-tenant 8 relationship, shall have concurrent jurisdiction with the small 9 claims division of the district court over any security deposit 10 dispute [between-landlord and tenant in a residential landlord-11 tenant relationship]. This subsection shall not abrogate or 12 supersede sections 604-5, 633-30, and 633-31. **13** [<del>(b)</del>] (e) Actions shall be commenced in the small claims 14 division of the district court of the judicial circuit in which 15 the defendant or a majority of the defendants reside or the claim for relief arose, unless service cannot be made on all of 16 **17** the defendants in that circuit, in which case action may be 18 commenced in any circuit in which all of the defendants can be 19 served; provided that actions arising under [paragraph (2) of] 20 subsection [(a) of this section] (a) (3) shall be commenced in 21 the circuit wherein the rental premises are situated.

| 1  | [ <del>-(c)</del> - | <u>(f)</u> The small claims division of the district court         |
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| 2  | may grant           | monetary relief and equitable relief except that:                  |
| 3  | (1)                 | Monetary relief shall not include punitive damages;                |
| 4  |                     | and  |
| 5  | (2)                 | Except as specifically provided in section 633-8,                  |
| 6  |                     | equitable relief shall be granted only as between                  |
| 7  |                     | parties to a landlord-tenant disagreement pursuant to              |
| 8  |                     | chapter 521, and shall be limited to orders to repair,             |
| 9  |                     | replace, refund, reform, and rescind.                              |
| 10 | [ <del>-(d)</del> - | $\frac{(g)}{(g)}$ Class actions are prohibited in the small claims |
| 11 | division o          | of the district court."  |
| 12 | SECT                | ION 3. Section 633-28, Hawaii Revised Statutes, is                 |
| 13 | amended by          | y amending subsection (a) to read as follows:                      |
| 14 | "(a)                | Actions shall be commenced and conducted in the small              |
| 15 | claims di           | vision of the district court as provided by the rules              |
| 16 | of court.           | The clerk of the court, at the request of an                       |
| 17 | individua           | l, shall prepare the papers required to be filed in an             |
| 18 | action in           | the court, but the clerk's services in the preparation             |
| 19 | of these            | papers shall not be available to a corporation,                    |
| 20 | partnersh           | ip, or association, or to any individual                           |
| 21 | proprieto:          | rship. The mode of service shall be:                               |

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| 1 ' | ι _ / | As provided by law of fulle of court for cases in the           |
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| 2   |       | district courts; provided that for any small claims             |
| 3   |       | action, service may be made by one of the parties to            |
| 4   |       | the action by means of personal service to the other            |
| 5   |       | parties, on the condition that:                                 |
| 6   |       | (A) The party being served signs that party's name to           |
| 7   |       | indicate actual receipt of service; or                          |
| 8   |       | (B) A competent witness, who is not an employee,                |
| 9   |       | family member, or agent of the plaintiff appears                |
| 10  |       | at a hearing on the matter or provides a                        |
| 11  |       | notarized affidavit testifying that personal                    |
| 12  |       | service on the party sought to be served was                    |
| 13  |       | accomplished in the witness' presence;                          |
| 14  | (2)   | As to actions arising under paragraphs (1), (2), and            |
| 15  |       | $[\frac{(3)}{(4)}]$ of section 633-27(a), by registered mail or |
| 16  |       | by certified mail with return receipt signed by the             |
| 17  |       | addressee showing delivery within the circuit; or               |
| 18  | (3)   | As to actions arising under paragraph $[\frac{(2)}{(2)}]$ of    |
| 19  |       | section 633-27(a), by registered mail or by certified           |
| 20  |       | mail with return receipt signed by the addressee                |

- 1 showing delivery at any place within or without the
- 2 State.
- 3 There shall be no appeal from a judgment of the small claims
- 4 division, but the court, sitting as the small claims division,
- 5 may alter or set aside any judgment as provided by the rules of
- 6 court."
- 7 SECTION 4. This Act does not affect rights and duties that
- 8 matured, penalties that were incurred, and proceedings that were
- 9 begun before its effective date.
- 10 SECTION 5. Statutory material to be repealed is bracketed
- 11 and stricken. New statutory material is underscored.
- 12 SECTION 6. This Act shall take effect upon its approval.

#### Report Title:

Small Claims Division of the District Court; Jurisdiction

### Description:

Establishes the exclusive jurisdiction of the small claims division of the district court over cases in which the amount claimed is \$1,000 or less. Expands the small claims division's jurisdiction over personal property cases to include any personal property worth \$5,000 or less. (SB214 HD1)

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