



August 8, 2023

Honorable Chris Holden
Chair, Assembly Committee on Appropriations
State Capitol
Sacramento, CA 95814

Re: SB 71 (Umberg): Oppose

Dear Chair Holden:

On behalf of each of our organizations, we oppose SB 71 (Umberg), which would increase the jurisdiction of small claims and limited civil courts, harming moderate and low-income Californians victimized by corporations that engage in illegal practices, in violation of consumer protection laws.

According to the Senate Appropriations Committee analysis of SB 71, this measure would also have a negative fiscal impact “potentially in the millions” due to lower filing fees in small claims and limited jurisdiction courts, at a time when the State can ill afford to lose revenue and critical programs face cutbacks. While the bill’s jurisdictional increase for Limited Civil courts was recently reduced in Assembly Judiciary from \$50,000 to \$35,000, it would still dramatically reduce revenue among the Courts.

Although inflation has increased dramatically since the last time the jurisdictional limits were raised, wages and incomes have remained relatively stagnant. As a result, most California consumers have little or no discretionary income, are economically vulnerable, and need the full protection of the laws.

We are concerned about the following new restrictions posed by SB 71, which would have the unintended consequence of harming consumers with cases filed in limited civil courts for amounts above the jurisdictional limit for small claims court but under \$35,000, which are nonetheless complex and high-impact in terms of the real world implications for the lives and livelihoods of the harmed consumers and their families:

- Severe limitations on discovery
- Severe limitations on depositions
- Lack of access to appellate courts for appeals
- Lack of authority to provide injunctive relief

- Lack of access in many cases to civil penalties or punitive damages, which serve to help deter violations of the law
- Arbitrary cap on damages that a jury or judge can award even if appropriate damages would exceed the jurisdictional amount

In addition, plaintiffs who file in unlimited civil courts would face significantly increased risks of being denied attorneys fees and costs even if they prevail, but are not awarded more than the \$35,000 jurisdictional limit for limited civil courts.

Another unintended consequence is the likely proliferation of motions seeking to remove cases to other jurisdictions, clogging the courts with procedural motions and further delaying justice.

We are particularly concerned about the potential impact on litigation involving motor vehicles, including fraud, unfair and deceptive practices, illegal repossessions, odometer rollbacks, violations of the Consumer Legal Remedies Act, and violations of California's landmark auto lemon law.

For most California consumers, a motor vehicle is the largest purchase they make, second only to purchasing a home (for those who can afford a home). Yet, in many situations, the value of their vehicle – even with civil penalties included – would not exceed the proposed jurisdictional minimum, thereby confining lower income individuals to limited civil courts. Motor vehicles are also a necessity for most Californians, who need safe, reliable personal transportation in order to access jobs, schools, day care, medical care, and other necessities of modern life.

In sum, we strongly oppose SB 71 and urge that it be held in the Committee on Appropriations. Thank you for your consideration of our views. Should you or your staff have any questions about our position on SB 71, please do not hesitate to contact us directly.

Sincerely,



Rosemary Shahan, President
Consumers for Auto Reliability & Safety (CARS)



Robert Herrell, Executive Director
Consumer Federation of California (CFC)



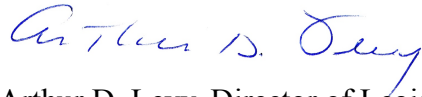
Henry W. Martin, Director
Watsonville Law Center (WLC)



Andrew McGuire, Executive Director
Trauma Foundation



F. Paul Bland, Executive Director
Public Justice



Arthur D. Levy, Director of Legislation
Housing and Economic Rights Advocates



Michael Brooks, Executive Director
Center for Auto Safety



Neil B. Fineman, California Co-Chair
National Association of Consumer Advocates



Kevin Stein, Chief of Legal and Strategy
California Reinvestment Coalition



Stephanie Carroll, Directing Attorney, Consumer Rights & Economic Justice
Public Counsel



Professor Robert Fellmeth
Center for Public Interest Law, UC San Diego



Jamie Court, President
Consumer Watchdog

CC: Members and Staff, Assembly Committee on the Judiciary