**Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Business Law - Ch. 5 - A Dual Court System**

I. The Federal Court System

A. **Jurisdiction**

1. Def. - The power and authority given to a court to

hear a case and to make a judgment.

2. Federal Courts have jurisdiction over:

a. Actions where the US or a state is a party, except

those actions between a state and its own citizens

b. Cases that raise a federal question:

1) Interpretation of the US Constitution.

2) Violation or Interpretation of a Federal Law.

c. Diversity of Citizenship Cases: Actions between

citizens of different states where the amounts of

money involved exceeds $50,000.

d. Admiralty (pertaining to the sea), Patent,

Copyright and Bankruptcy cases.

3. Example 1, pg. 64

B. **Federal Courts** are Arranged in 3 Steps or Tiers

1. District Courts (book pg. 67)

a. Lowest level (Trial Courts)

b. Have ***original jurisdiction*** *over most federal court*

*cases*.

c. Def. - They have authority to try a case the first time it

is heard.

d. Most federal cases begin in one of the US District

Courts (trial courts of the fed. gov't).

e. Each state has a min. of 1 District Court.

f. Some states have more than one.

g. There are approximately 94 District Courts.

2. Court of Appeals (Federal)

a. Intermediate Courts - Middle Tier

b. Also known as **Appellate Courts.**

c. They have the authority to hear appeals and review

cases from lower courts. (district)

d. They have **appellate jurisdiction**.

1) The authority to hear cases on appeal.

2) Any party to a suit decided in a federal district

court may appeal the decision to the federal court

of appeals in the circuit where the case was tried.

e. The US has 13 Judicial Circuits, and each has several

district courts and one Court of Appeals.

f. Most Court of Appeals Cases

1) Are decided by a panel of 3 judges.

2) No witnesses are heard.

3) No evidence is presented.

4) No Juries are used.

g. Only questions of law can be raised, not questions of

fact, therefore; not all can be appealed.

h. Example 2 - pg. 65

3. Special US Courts

a. Have jurisdiction only in certain kinds of cases.

b. Cases Included:

1) Suits by citizens against the federal gov't.

2) Disagreements over taxes on imported goods.

3) Disputes between taxpayers and the IRS.

4. Supreme Court

a. The **highest** court in the land.

b. It has both original and appellate jurisdiction.

c. *Original jurisdiction* in cases involving:

1) ambassadors

2) consuls

3) other public ministers

4) cases in which a state is a party.

d. Its *appellate jurisdiction* is the Court's main function.

1) Court must hear all cases that involve the

constitutionality of a federal law.

2) The court then decides by a vote of at least 4

out of 9 Justices which additional cases it will

hear from the US Courts of Appeals or the State Supreme Courts.

e. Example 3, pg. 65

II. **State Court Systems** (book pg. 67)

A. Local Trial Courts (lower)

1. Local Courts have limited jurisdiction.

a. Jurisdiction only in minor matters.

b. Minor misdemeanors and civil actions involving small

amounts of money.

c. Limited to whatever the state government has

authorized.

2. Various Kinds of Local Trial Courts

a. Justice of the Peace (Magistrate Courts)

1) The only local courts in the early days of our

country.

2) Set-up to try small claims and punish petty

crimes in each local community.

3) Continue to serve that function today in many

communities.

b. Minor legal matters also handled.

1) traffic courts

2) police courts

3) municipal courts

c. Some special local courts are set-up to deal with other

matters:

1) juvenile offenses

2) family disputes

3) small claims

B. General Trial Courts

1. Also known as Court of General Jurisdiction.

2. Various Other Names

a. County Court

b. Superior Court

c. Court of Common Pleas

d. Circuit Court

3. General Trial Courts for major civil and criminal cases in

each state.

4. All cases involving major crimes and large amounts of

money begin in one of these courts.

5. They have the duty to determine the facts, usually with the

aid of a jury and apply the appropriate law to these facts.

6. They sometimes hear appeals from lower courts, however,

most appeals are heard in higher courts.

C. Special Courts

1. Courts established in many states to handle specialized

cases.

2. Jurisdiction of these courts is limited to a particular subject

matter.

a. *Land Courts* hear cases involving boundary disputes.

b. *Housing Courts* hear cases dealing with rental

property.

c. *Family & Domestic* Relations Courts

1) Found in each county of most states.

2) They handle divorce, child custody, and other

family matters.

d. *Probate Courts* are used to administer the estates of

deceased persons.

e. *Juvenile Courts* have **special jurisdiction** over

delinquents and neglected children up to an age set by

state statute.

1) Set age is usually 18.

2) Usually found at both state & local levels.

f. In some states Juvenile Courts are a separate court

independent of any other court.

1) Procedures are different from other types of

courts.

2) Sessions are often held privately in the Judge’s

chambers or some other room not as formal as a

court room.

3) Persons who appear before Juvenile Courts have

no right to a trial by jury or to be released by bail.

4) There must be proof beyond a reasonable doubt

to convict a child for an act that would be a crime

if it had been committed by an adult.

3. Example 4, pg. 66

D. STATE Intermediate Appellate Courts

1. Duty - They hear appeals from the courts of general

jurisdiction, they don't hear cases for the first time.

2. Appeals are taken to state intermediate court by the parties

if they believe they didn't have a fair trial or that the judge

of the original court did not properly interpret the law.

3. Appeals are only heard on the questions of the laws (not on

the facts of the case).

4. Appeals judges:

a. Don't hear witnesses.

b. Do hear oral arguments from attorneys.

c. Study the legal documents and records in a case.

d. Facts are only reviewed when there is evidence that

the judge or jury has been prejudiced or decided on the

contrary to the evidence presented

in the trial.

5. Example 5, pg. 68

6. 2/3 of the US have Intermediate Appellate Courts, if they

don't have one appeals are taken directly from the trial

court to the highest court of the state.

E. STATE Supreme Courts

1. In 46 states the Supreme Court is considered the highest

court.

2. Maine & Massachusetts call their highest court the

Supreme Judicial Court.

3. Maryland & New York refer to their highest court as the

Court of Appeals.

4. Duties:

a. They make final decisions on matters of law appealed

from the lower courts.

b. They only decide whether an error was made in the

lower courts in determining the law.

c. They do not retry a case and re-determine the facts.

5. Much like the Supreme Court in that it selects the cases it

wishes to hear.