

SENATE BILL REPORT

HB 1142

As Reported By Senate Committee On:
Judiciary, February 29, 2008

Title: An act relating to statutory costs.

Brief Description: Changing provisions regarding statutory costs.

Sponsors: Representatives Williams, Warnick, O'Brien, Rodne, Campbell, Lantz and Goodman.

Brief History: Passed House: 1/23/08, 97-0.

Committee Activity: Judiciary:2/27/08, 2/29/08 [DP]

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Kline, Chair; Tom, Vice Chair; McCaslin, Ranking Minority Member; Carrell, Hargrove, McDermott, Roach and Weinstein.

Staff: Dawn Noel (786-7472)

Background: Statutory costs include filing fees, service of process fees, reasonable expenses incurred in obtaining records, witness fees, and statutory attorneys' fees. The statutory attorneys' fee is generally \$200. However, in district court cases, the prevailing party is not entitled to the statutory attorneys' fee if the judgment is for less than \$50. If the judgment is at least \$50 but less than \$200, the statutory attorneys' fee is \$125.

Some of the statutes relating to costs are designed to encourage early settlement between the parties. A defendant is entitled to costs if, before the action is commenced, the defendant offered to pay the full amount owed to the plaintiff and the plaintiff refused the offer. A defendant is also entitled to costs if, after an action is commenced, the defendant deposits with the court the amount the defendant believes is owed plus costs and the plaintiff refuses to accept it, and subsequently recovers a lesser amount than offered.

Summary of Bill: A plaintiff is the prevailing party and therefore entitled to costs if, after an action is commenced, the defendant offers and the plaintiff accepts full or partial payment when the plaintiff had given the defendant prior written notice that the defendant could still be liable for costs regardless of full or partial payment. Upon application by the plaintiff, the court is to enter a judgment for those costs, except those costs that are paid before entry of judgment. The same provision applies to cases in district court. However, the plaintiff is not entitled to the statutory attorneys' fees portion of costs unless the amount asked for in the complaint, exclusive of costs, is \$50 or more. In a case where the amount asked for is at least

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\$50 but less than \$200, the statutory attorneys' fee is \$125. Nothing prevents a party from demanding, offering, or accepting payment of statutory costs, or from reducing or waiving statutory costs, before entry of judgment.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: PRO: This bill passed this committee last session. It would help us as an industry do our best to avoid litigation, move to settlements earlier in the process, and protect consumer rights while serving our clients better.

Persons Testifying: PRO: Greg Luhn, Washington Collectors Association.