SENATE BILL REPORT SHB 2362

As Reported by Senate Committee On: Ways & Means, April 22, 2009

- **Title**: An act relating to providing support for judicial branch agencies by imposing surcharges on court fees and requesting the supreme court to consider increases to attorney licensing fees.
- **Brief Description**: Providing support for judicial branch agencies by imposing surcharges on court fees and requesting the supreme court to consider increases to attorney licensing fees.
- **Sponsors**: House Committee on Ways & Means (originally sponsored by Representative Kessler).

Brief History: Passed House: 4/20/09, 52-46. Committee Activity: Ways & Means: 4/22/09 [DPA, DNP, w/oRec].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Fairley, Keiser, Kline, Kohl-Welles, McDermott, Murray, Oemig, Pridemore and Regala.

Minority Report: Do not pass.

Signed by Senators Zarelli, Ranking Minority Member; Carrell, Honeyford and Schoesler.

Minority Report: That it be referred without recommendation. Signed by Senators Brandland and Hewitt.

Staff: Jenny Greenlee (786-7711)

Background: <u>Overview of Superior Court Fees.</u> County clerks are elected officials who oversee all record-keeping matters pertaining to the superior courts, including receipting fees, fines, court-ordered monies, and disbursement of funds. County clerks collect superior court filing fees and other fees for court services as prescribed by statute.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

The following table gives the current fee schedule for certain fees collected by the county clerks for their official services. These fees are subject to division between the county, the Public Safety and Education Account (PSEA), and the county or regional law library fund, with the exception of the fee for filing a notice of appeal or notice of discretionary review. The fee for filing a notice of appeal or discretionary review is transmitted to the appropriate state appellate court.

Superior Court Filing	Fee
First or initial paper in any civil action	\$200
Unlawful detainer action	\$45
First or initial paper on appeal from a court of limited jurisdiction or any civil appeal	\$200
Petition for judicial review under the Administrative Procedure Act	\$200
Notice of debt due for the compensation of a crime victim	\$200
First paper in a probate proceeding	\$200
Petition to contest a will admitted to probate or petition to admit a will which has been rejected	\$200
Notice of appeal or notice of discretionary review	\$250

<u>Overview of District Court Fees.</u> District courts are courts of limited jurisdiction. They have concurrent jurisdiction with superior courts over misdemeanor and gross misdemeanor violations and civil cases in which the amount claimed or in dispute is \$75,000 or less. District courts also have jurisdiction over small claims and traffic infractions.

District court clerks are required to collect fees for various services as prescribed by statute. Except for certain costs, all costs, fees, fines, forfeitures, and penalties collected in whole or in part by the district court are remitted by the district court clerk to the county treasurer. The county treasurer must remit 32 percent of the non-interest money received by district courts to the State Treasurer for deposit into the PSEA. The remaining balance of the non-interest money received by the county treasurer is deposited in the county current expense fund and the county or regional law library fund. Expenditures of the district court are paid from the county's current expense fund.

The following table gives the current fee schedule for certain fees collected by the district court clerks for their official services.

District Court Filing	Fee
Any civil action at time of commencement or transfer	\$43 + potential \$10 surcharge for dispute resolution centers
Counterclaim, cross-claim, or third-party claim	\$43 + potential \$10 surcharge for dispute resolution centers

Small claims	\$14 + potential \$15 surcharge for dispute
	resolution centers

Summary of Bill (Recommended Amendments): The following temporary surcharges are added to the fees collected by the superior and district courts:

- \$30 for the filings listed in the superior court chart above, except for the filing of a first or initial paper in an appeal from a court of limited jurisdiction, which is subject to a \$20 surcharge;
- \$20 for the filings listed in the district court chart above, excluding small claims; and
- \$10 for small claims filings.

The surcharges are in addition to the existing fees collected by the superior and district courts. The surcharges expire on July 1, 2011. All surcharges collected by the courts must be remitted to the State Treasurer for deposit in the Judicial Stabilization Trust Account.

<u>Judicial Stabilization Trust Account.</u> A Judicial Stabilization Trust Account (Trust Account) is established in the State Treasury. The surcharges created by this act must be deposited in this Trust Account. Monies in the Trust Account may be spent only after appropriation. Expenditures from the Account may be used only for the support of judicial branch agencies.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (**Recommended Amendments**): The Judicial Stabilization Trust Account is fully subject to appropriation.

Appropriation: None.

Fiscal Note: Requested on April 20, 2009. [OFM requested ten-year cost projection pursuant to I-960.]

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2009.

Staff Summary of Public Testimony on Substitute House Bill: CON: These surcharges represent a huge increase for landlords in eviction cases. The current unlawful detainer fee is \$45 and a \$30 surcharge represents a 65 percent increase. In these difficult economic times there will be more evictions and these are very costly to landlords that are already struggling. It is not a fair increase given how little court time is taken by unlawful detainer actions. These costs are passed on to the evicted tenant and current tenants.

County Officials have concerns that judges will waive the underlying court fee now that the whole fee is so high. If more judges to do that, than counties don't get their portion of the underlying fee. This will effect county operations.

OTHER: The courts do not usually support fee increases but have agreed to a temporary surcharge in light of the current grave economic conditions. Sexual assault programs use Public Safety Education Account funding. Some of these fees have historically gone into

that account and there is concern about what kind of impact these new surcharges will have on those revenues.

Persons Testifying: CON: Greg Luhn, Washington Collections Association; Darlene Pennock, Washington Apartment Association; John Woodring, Katherine Hedrick, Doug Neyhart, Julie Johnson, Rental Housing Association; Ron Newbry, Yakima Valley Landlords Association; Ken Spencer, Manufactured Housing Communities of Washington; Mark Gjurasic; Washington Apartment Association, Manufactured Housing of Washington; Debbie Wilke; Washington Association of County Officials.

OTHER: Mellani McAlleenan, Board of Judicial Administration; Lonnie Johns-Brown, Washington Coalition of Sexual Assault Programs.