

SENATE BILL REPORT

SHB 1022

As Reported by Senate Committee On:
Judiciary, March 17, 2009

Title: An act relating to statutory costs.

Brief Description: Modifying statutory cost provisions.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Williams, Warnick, Kelley, Rodne, Dickerson and Moeller).

Brief History: Passed House: 3/03/09, 97-0.

Committee Activity: Judiciary: 3/17/09 [DP].

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Kline, Chair; Regala, Vice Chair; McCaslin, Ranking Minority Member; Carrell, Kohl-Welles, Roach and Tom.

Staff: Juliana Roe (786-7438)

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: In civil actions for the recovery of money only, the plaintiff is the prevailing party for the purpose of awarding costs if the defendant makes a full or partial payment of the amounts sought by the plaintiff prior to the entry of judgment. If the plaintiff notifies the defendant in writing, before such payment is made, then the defendant could still

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be liable for costs regardless of full or partial payment. 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, exclusive of costs, is \$50 or more. In a case where the amount asked for is at least \$50 but less than \$200, the statutory attorneys' fee is \$125. Negotiated settlements or other cost-shifting provisions are not impacted.

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 is a noncontroversial bill. The collectors association represents third party debt collectors and private creditors. This bill will allow us to process settlements as we always have. It saves court time and allows for the reduction of costs. It will do an excellent job of protecting consumer rights and help expedite the process.

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