

# HOUSE BILL REPORT

## HB 2311

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### As Reported By House Committee On:

Law & Justice

**Title:** An act relating to small claims court.

**Brief Description:** Adjusting the jurisdictional amount for small claims court.

**Sponsors:** Representatives L. Thomas, Benson, Zellinsky and Dyer.

**Brief History:**

**Committee Activity:**

Law & Justice: 1/16/98, 2/4/98 [DPS].

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### HOUSE COMMITTEE ON LAW & JUSTICE

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Sheahan, Chairman; McDonald, Vice Chairman; Sterk, Vice Chairman; Carrell; Lambert; Mulliken; Robertson and Sherstad.

**Minority Report:** Do not pass. Signed by 5 members: Representatives Costa, Ranking Minority Member; Constantine, Assistant Ranking Minority Member; Cody; Kenney and Lantz.

**Staff:** Trudes Hutcheson (786-7384).

**Background:** Small claims court is a department of the district court. The small claims department has jurisdiction over cases for the recovery of money where the amount claimed does not exceed \$2,500. An action is commenced in the small claims department by filing a claim that contains specified information and paying a filing fee.

An action originally filed in district court may be transferred to the small claims department if the claim does not exceed the jurisdictional limit of the small claims department. Generally, a party may not be represented by an attorney in the small claims department. However, if the action was originally filed in district court and the plaintiff was represented by an attorney at that time, the attorney may represent the plaintiff in the small claims department.

The proceedings in the small claims department are informal. The parties may offer evidence and bring witnesses. The judge may consult witnesses and investigate the

controversy between the parties, and the judge may give judgment or make orders that the judge finds equitable.

A party may not appeal the judgment from the small claims department where the amount claimed was less than \$250. A party requesting the exercise of jurisdiction by the small claims department may not appeal a judgment if the amount claimed by that party was less than \$1,000.

**Summary of Substitute Bill:** The jurisdictional amount in small claims court is increased from \$2,500 to \$3,000.

**Substitute Bill Compared to Original Bill:** The original bill increased the amount to \$10,000.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** An increase in the small claims court jurisdictional limit is due. Small claims courts help relieve the congestion in district and superior courts.

**Testimony Against:** Small claims court is not a place for sophisticated claims. Increasing the jurisdictional amount will increase the complexity of the cases. Finance companies, debt collectors and corporations will use the court more frequently because of the low filing fee and the fact that the other party can't have an attorney. Changing the amount to \$10,000 will allow a large percentage of auto accident cases to be handled in small claims court where one can't be represented by an attorney, and yet most insurance policies require that the company hire an attorney to defend the insured.

**Testified:** Representative Les Thomas, prime sponsor; Jim Irish, Appraiser Coalition of Washington (pro); Judge Judy Jasprica, Washington State Municipal and District Court Judges Association (con); Basil Badley, American Insurance Association (con); Mel Sorensen, National Association of Independent Insurers (con); and Bruce Reeves, Senior Citizens Lobby (con).