

HOUSE BILL REPORT

SHB 2295

As Passed Legislature

Title: An act relating to enforcement of small claims court judgments.

Brief Description: Concerning enforcement of small claims court judgments.

Sponsors: House Committee on Civil Rights & Judiciary (originally sponsored by Representatives Goodman, Griffey, Irwin and Wylie).

Brief History:

Committee Activity:

Civil Rights & Judiciary: 1/15/20, 1/17/20 [DPS].

Floor Activity:

Passed House: 2/19/20, 98-0.

Passed Senate: 3/4/20, 47-0.

Passed Legislature.

Brief Summary of Substitute Bill

- Provides that if the losing party fails to pay the judgment within 30 days after entry of the judgment on the judgment docket of the district court: (1) garnishment, execution, and other process on execution provided by law may issue; and (2) the prevailing party may file transcript or certified copy of the district court judgment with superior courts for entry in the superior courts' lien dockets.

HOUSE COMMITTEE ON CIVIL RIGHTS & JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 14 members: Representatives Kilduff, Chair; Thai, Vice Chair; Irwin, Ranking Minority Member; Goodman, Graham, Hansen, Kirby, Klippert, Orwall, Peterson, Rude, Valdez, Walen and Ybarra.

Staff: Cece Clynch (786-7195).

Background:

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.

Small Claims Court Judgments.

In every district court, there is a small claims department with jurisdiction in cases for the recovery of money only if the amount claimed does not exceed: (1) \$10,000 in cases brought by a natural person (defined as a human being); or (2) \$5,000 in all other cases. Attorneys and paralegals are excluded from appearing or participating in a small claims suit unless granted permission by the judge.

Upon the judge's entry of judgment in a small claims action, the judgment is certified as a district court civil judgment, and the clerk of the small claims department is directed to enter the civil judgment on the judgment docket of the district court. A certified copy of the district court judgment is provided to the prevailing party. As with other judgments of district courts, once the judgment is entered on the district court's docket, garnishment, execution, and other process on execution may issue. In addition, the prevailing party may file a transcript of the district court civil judgment or a certified copy of the district court judgment in superior court for entry in the lien dockets.

If the prevailing party receives payment of the judgment, that party must file a satisfaction of judgment with all courts in which the judgment was filed. If the prevailing party fails to file a satisfaction of judgment, the party paying the judgment may do so.

Enforcement of Judgments.

A creditor may seek enforcement of a debt owed by a debtor through execution, attachment, or garnishment of the debtor's property. Execution is the process for enforcing a court judgment for the payment of money or property by levying on the judgment debtor's property. Attachment is a process that allows a plaintiff in a court action to ask the court to attach the defendant's property during the pendency of the action as security for satisfaction of a judgment that may be rendered in favor of the plaintiff. Garnishment allows a creditor to reach a debtor's property that is held by a third person, such as a bank or an employer.

Generally, a judgment may be enforced for a period of 10 years from the date of judgment, and for an additional 10 years if the judgment is extended within 90 days of the end of the initial 10-year period. All real and personal property of a judgment debtor is subject to execution to satisfy the judgment, unless the property is exempt from execution.

Summary of Substitute Bill:

If the losing party fails to pay the judgment within 30 days after entry of the judgment on the judgment docket of the district court:

- garnishment, execution, and other process on execution provided by law may issue; and
- the prevailing party may file a transcript or certified copy of the district court judgment with superior courts for entry in the superior courts' lien dockets.

Language is stricken which provides that enforcement may occur once the judgment is entered on the district court's docket.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Last year, legislation was enacted that streamlined the small claims court process. Prior to its enactment, there had been multiple fees and processes. The amount of money that may be sought in an action in small claims court was also changed last year. However, the right of litigants to appeal was overlooked. This bill will disallow execution for 30 days after entry of the judgment, putting litigants back in the position they were before last year's bill removed the 30 days. The language of the bill is somewhat ambiguous so there will be a clarifying amendment.

(Opposed) None.

Persons Testifying: Representative Goodman, prime sponsor; and Paul Wohl, District and Municipal Court Judges Association.

Persons Signed In To Testify But Not Testifying: None.