

SENATE BILL REPORT

2SHB 1048

As Passed Senate, April 16, 2019

Title: An act relating to modifying the process for prevailing parties to recover judgments in small claims court.

Brief Description: Modifying the process for prevailing parties to recover judgments in small claims court.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Goodman, Stokesbary, Jinkins, Macri, Appleton, Wylie and Chambers).

Brief History: Passed House: 3/11/19, 98-0.

Committee Activity: Law & Justice: 3/25/19, 3/28/19 [DP-WM, DNP].

Ways & Means: 4/09/19 [DP, DNP, w/oRec].

Floor Activity:

Passed Senate: 4/16/19, 29-19.

Brief Summary of Bill

- Increases the filing fee for small claims court actions from \$14 to \$35.
- Requires \$0.50 from each small claims court filing fee be distributed to the Judicial Stabilization Account for indigent defense and the Crime Victims' Compensation Account.
- Clarifies court processes for certification of a small claims court judgment and the effect of the judgment for purposes of execution.
- Makes technical corrections.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: Do pass and be referred to Committee on Ways & Means.
Signed by Senators Pedersen, Chair; Dhingra, Vice Chair; Kuderer and Salomon.

Minority Report: Do not pass.
Signed by Senators Padden, Ranking Member; Holy.

Staff: Shani Bauer (786-7468)

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.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Operating, Capital Lead; Mullet, Capital Budget Cabinet; Billig, Carlyle, Conway, Darneille, Hasegawa, Hunt, Keiser, Liias, Palumbo, Pedersen and Van De Wege.

Minority Report: Do not pass.

Signed by Senators Schoesler and Warnick.

Minority Report: That it be referred without recommendation.

Signed by Senators Braun, Ranking Member; Brown, Assistant Ranking Member, Operating; Honeyford, Assistant Ranking Member, Capital; Bailey, Becker and Wagoner.

Staff: Claire Goodwin (786-7736)

Background: Small claims court is a department of the district court. The hearing and disposition of a small claims court action are informal and generally the parties may not be represented by attorneys without permission from a judge. The parties may offer evidence through witness testimony and the judge may informally consult witnesses or otherwise investigate the controversy. The hearing and disposition of small claims court actions is informal, with the objective of dispensing speedy and quick justice between the litigants. The jurisdiction of the small claims court is limited to cases for the recovery of money where the amount claimed does not exceed \$5,000.

To file a small claims court action, the plaintiff must file a claim in a form prescribed by statute along with a \$14 filing fee. The responding party may file a counterclaim, cross-claim, or third-party claim by also paying a \$14 filing fee. In 2011, the Legislature added surcharges to various court filing fees to be deposited, in part, into a newly created Judicial Stabilization Trust Account. The account funds were to be used solely to support judicial branch agencies. Until July 1, 2013, a \$10 surcharge applied to any small claims court filing fee. From the surcharge, 75 percent was to be remitted to the state treasurer for deposit to the Judicial Stabilization Trust Account, and 25 percent was to be retained by the county.

Judgments of a district court of this state become a lien on any real estate of a debtor when the judgment is filed in the superior court lien docket of the county in which the real estate of the judgment debtor is located. If a losing party to a small claims court action fails to pay the judgment within 30 days or within another period ordered by the court, the judgment must be increased by any costs incurred by the prevailing party for enforcement. This includes the cost of certifying the judgment and fees incurred in filing an abstract or certified copy of the judgment in the superior court lien docket.

Summary of Bill: The fee for filing a small claims court action or filing a counterclaim, cross-claim, or third-party claim to a small claims court action is increased to \$35. From every filing fee, \$0.50 must be deposited into the Judicial Stabilization Account to be used to fund indigent defense through the Office of Public Defense. An additional \$0.50 of every filing fee must be deposited into the Crime Victims' Compensation Account and used to assist crime victims.

Upon entry of judgment in a small claims action, the judgment is certified as a district court civil judgment and shall be increased by any fees incurred in filing the judgment in the superior court lien docket of any county, any post judgment interest, and any other costs incurred by the prevailing party to enforce the judgment. The clerk of the small claims department must enter the civil judgment on the judgment docket of the district court. Like other district court judgments, once entered, garnishment, execution, and other process on execution provided by law may be issued. A certified copy of the district court judgment must be provided to the prevailing party at no additional fee. The prevailing party may file a transcript of the district court civil judgment or a certified copy of the district court judgment with superior courts for entry in the superior courts' lien dockets with like effect as in other cases.

If a prevailing party receives payment of the judgment, the prevailing party must file a satisfaction of the judgment in any court in which the judgment was filed. If the prevailing party fails to file proof of satisfaction, the paying party may file the notice.

A lien of judgment upon real estate of the debtor will commence upon filing of a duly certified district court judgment in a superior court in the county in which the real estate of the judgment debtor is located.

The statute addressing the process for certification of a small claims court judgment is repealed. Other technical corrections are made throughout the chapter addressing small claims court actions.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

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

Staff Summary of Public Testimony (Law & Justice): PRO: This bill is coming back for a third time, at the request of a district court judge. Small claims court proceedings are supposed to be user friendly. It is cumbersome to have a two-step process for the judgment to be placed in the court docket.

The district court judges support this bill. The changes will make the process more efficient and ensure a prevailing party does not have to come back in order to be able to execute on their judgment.

Persons Testifying (Law & Justice): PRO: Representative Roger Goodman, Prime Sponsor; Sam Meyer, District and Municipal Court Judges Association.

Persons Signed In To Testify But Not Testifying (Law & Justice): No one.

Staff Summary of Public Testimony (Ways & Means): PRO: This takes a fee from the back end and moves it to the front end to allow for execution of the judgement.

Persons Testifying (Ways & Means): PRO: Melanie Stewart, District and Municipal Court Judges.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.