

HOUSE BILL REPORT

HB 1070

As Reported by House Committee On:

Judiciary
Appropriations

Title: An act relating to filing fee surcharges for funding dispute resolution centers.

Brief Description: Concerning filing fee surcharges for funding dispute resolution centers.

Sponsors: Representatives Jinkins, Appleton, Robinson, Kirby, Doglio and Fey.

Brief History:

Committee Activity:

Judiciary: 1/12/17, 1/26/17 [DPS];

Appropriations: 2/21/17 [DPS(JUDI)].

Brief Summary of Substitute Bill

- Allows a county legislative authority to impose a surcharge of up to \$20 on each civil filing fee in superior court for the purpose of funding Dispute Resolution Centers (DRCs).
- Allows a county legislative authority to raise the maximum DRC surcharge on each civil filing fee in district court and small claims court from \$10 and \$15, respectively, to a maximum of \$20.

HOUSE COMMITTEE ON JUDICIARY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Rodne, Ranking Minority Member; Muri, Assistant Ranking Minority Member; Frame, Goodman, Haler, Hansen, Kirby, Klippert and Orwall.

Minority Report: Do not pass. Signed by 2 members: Representatives Graves and Shea.

Staff: Audrey Frey (786-7289).

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.

The creation of Dispute Resolution Centers (DRCs) was first authorized by the state Legislature in the 1984 Court Improvement Act for the purpose of providing forums in which persons could voluntarily resolve disputes in an atmosphere that was less costly, less complex, less formal, and less adversarial than the courtroom setting. A DRC may be created and operated by a city or county, or by a nonprofit corporation.

Services offered by a DRC must be provided without charge to a participant or for a fee that is based on a participant's ability to pay.

Typical cases handled by DRCs involve:

- landlords and tenants;
- consumers and merchants;
- neighbors;
- citizens and agencies;
- employees and employers;
- families; and
- divorcing and divorced couples.

For the purpose of funding DRCs, a county legislative authority may impose a surcharge of up to \$10 on each civil filing fee in district court and a surcharge of up to \$15 on each filing fee for small claims actions. Surcharges are collected by the clerk of the court and remitted to the county treasurer for deposit in a separate account used solely for DRCs.

Summary of Substitute Bill:

For the purpose of funding DRCs, a county legislative authority may impose a surcharge on certain filing fees as follows:

- The maximum DRC surcharge that may be imposed on civil filing fees in district court is raised from \$10 to \$20.
- The maximum DRC surcharge that may be imposed on filing fees for small claims actions is raised from \$15 to \$20.
- The maximum DRC surcharge that may be imposed on civil filing fees in superior court is raised from none to \$20.

Substitute Bill Compared to Original Bill:

A person who files an action under the Manufactured/Mobile Home Landlord-Tenant Act who pays or is charged the annual assessment for the Manufactured/Mobile Home Communities Dispute Resolution Program is exempt from a surcharge on superior court civil filing fees imposed under this section.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill has been before the Legislature before. County legislative authorities should be allowed to raise fees on civil filings. Dispute Resolution Centers have been very valuable in our state.

One-third of DRCs have been impacted by a reduction in filing fees. The last update to the fees was in 1990, and the dollar in 1990 translates to only 50 cents today. Dispute Resolution Centers have had to reduce services by 30 percent. Juveniles, at-risk youth programs, staff, and AmeriCorps Vista volunteers have all been reduced. Costs have increased, and funds have decreased. Many counties have had to make cuts to their DRCs. In Yakima, people used to wait about two weeks for a DRC hearing; now they have to wait months before they can get a hearing. The update to the funding mechanism in the bill will help support DRCs.

Dispute Resolution Centers seek grants and make private fundraising efforts, but funding from those sources is not enough to support DRCs. There is currently no filing fee money for DRCs connected with superior courts, but superior courts operate in more areas across the state than small claims and district courts. Dispute Resolution Centers are in a pretty faltering state, and this bill would help fix that.

It has been repeatedly shown since the 1984 Court Improvement Act was passed that DRCs are helpful. Dispute Resolution Centers have managed to increase their sources of private funding, but it's not enough to keep pace with cost increases and make up for other funding cuts. This surcharge increase cap is so important for DRCs.

Dispute Resolution Centers help people resolve tough conflicts, like parenting disagreements and negotiating divorce or separation, when people feel that they are unable to resolve conflicts on their own. Some individuals have worked with the same DRCs over the course of more than a decade to resolve their conflicts and raise their children. Those who receive DRC services feel empowered and gain strength and confidence.

(Opposed) Those who live in manufactured homes already pay \$10 per home into a dispute resolution program managed by the Attorney General. This bill would add another fee on top of the fee already borne by manufactured homes. Dispute Resolution Centers are great, but this is not the way to fund them.

(Other) Dispute Resolution Centers are positive. People are empowered when they can sit down with a mediator and work together to resolve their problems. It is a valuable service, but instead of being funded by user fees, DRCs should be funded by the State General Fund. User fees create an access to justice issue.

Dispute Resolution Centers are valuable. Dispute Resolution Centers provide high quality training to court staff, and DRCs help families achieve full settlement 55 percent of the time. But the user fee increase is not the answer to the funding problem. Additional court filing fees should be opposed.

Persons Testifying: (In support) Representative Jinkins, prime sponsor; Jaquelyn Styrna, Skagit Dispute Resolution Center; Amber Ulvenes, Resolution Washington; Jody Suhrbier, Dispute Resolution Center of Thurston County; and Robin Benoit.

(Opposed) Craig Hillis, Manufactured Housing Communities of Washington; and Chester Baldwin, Washington Collector's Association.

(Other) Sam Meyer, District and Municipal Court Judges Association; Tom Parker, Superior Court Judges Association of Washington; and Brady Horenstein, Board for Judicial Administration.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill by Committee on Judiciary be substituted therefor and the substitute bill do pass. Signed by 18 members: Representatives Ormsby, Chair; Robinson, Vice Chair; Bergquist, Cody, Fitzgibbon, Hansen, Hudgins, Jinkins, Kagi, Lytton, Pettigrew, Pollet, Sawyer, Senn, Springer, Stanford, Sullivan and Tharinger.

Minority Report: Do not pass. Signed by 12 members: Representatives Chandler, Ranking Minority Member; Buys, Caldier, Condotta, Haler, Harris, Nealey, Schmick, Taylor, Vick, Volz and Wilcox.

Minority Report: Without recommendation. Signed by 3 members: Representatives MacEwen, Assistant Ranking Minority Member; Stokesbary, Assistant Ranking Minority Member; Manweller.

Staff: Meghan Morris (786-7119).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Judiciary:

No new changes recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) There are elder advocates who support this bill. As of December 30, 2016, the Certified Professional Guardian Board (Board) had 117 alleged complaints against professional guardians, which is more than the Board can handle. This bill would fund

Dispute Resolution Centers (DRCs) and help settle some of these complaints against professional guardians.

The amended statute is a crucial funding mechanism established by the state for the express purpose of funding DRCs. These fee limits were set in 1990 and have not been raised in 26 years. This bill would create a flexible funding mechanism for counties to look at the need within their communities and grow those surcharge fees to meet those needs, which would allow DRCs to continue to do their good work. The DRCs provide effective, efficient, and accessible services. They are effective: in the last year 77 percent of cases met resolution. They are cost efficient: in the last year the DRCs saved \$5.7 million for the state. The Whatcom DRC was a 72 percent return on investment to Whatcom County court contracts. These dollars will allow DRCs to keep doors open. Across the state, many DRCs are entirely reliant upon this funding. This funding will also allow DRCs to meet emergent dispute resolution needs statewide.

The King County DRC recently lost 40 percent of its revenue due to a decrease in court filing fees. The King County DRC has had to reduce staff hours and reduce the number of court calendars offered in small claims court that would allow anyone to walk into small claims court and have the option to mediate instead of going before a judge. The King County DRC has also reduced community trainings that would help with conflict resolution skills. Programs offered by DRCs include programs to help case managers with transitional housing and evictions, as well as dispute resolution assistance for the elderly, veterans, and youth. The DRCs also help with anti-harassment court filings and develop restorative practices in schools for student discipline.

(Opposed) None.

Persons Testifying: Claudia Donnelly; Iris Maute-Gibson, Whatcom Dispute Resolution Center; and Tamia Pervez, Resolution Washington.

Persons Signed In To Testify But Not Testifying: None.