

# HOUSE BILL REPORT

## SSB 5989

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**As Reported by House Committee On:**  
Judiciary

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

**Brief Description:** Concerning small claims court.

**Sponsors:** Senate Committee on Law & Justice (originally sponsored by Senator Padden).

**Brief History:**

**Committee Activity:**

Judiciary: 2/9/18, 2/14/18, 2/15/18, 2/22/18 [DPA].

**Brief Summary of Substitute Bill  
(As Amended by Committee)**

- Increases the jurisdiction of the small claims department in each district court from \$5,000 to \$10,000, but only for cases brought by a natural person.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass as amended. Signed by 7 members: Representatives Jinkins, Chair; Kilduff, Vice Chair; Goodman, Hansen, Kirby, Orwall and Valdez.

**Minority Report:** Do not pass. Signed by 6 members: Representatives Rodne, Ranking Minority Member; Graves, Assistant Ranking Minority Member; Haler, Klippert, Muri and Shea.

**Staff:** Nate Hickner (786-7290) and Cece Clynch (786-7195).

**Background:**

Within each district court is a small claims department which has nonexclusive jurisdiction over cases for the recovery of money only if the amount claimed does not exceed \$5,000. In small claims cases, formal pleadings are not required, and hearings and dispositions are conducted informally with the sole object of dispensing speedy justice between the litigants.

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*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.*

Each party in a small claims case is usually self-represented, and attorneys are not allowed to participate unless the judge grants permission.

Generally, any individual, business, partnership, or corporation may bring a small claims suit against any other individual, business, partnership, or corporation. Small claims usually must be filed in the district court of the county in which the defendant resides. Appeals may be taken to the superior court, but no party may appeal a judgment where the amount claimed is less than \$250, and the party who filed the claim may not appeal unless the amount claimed exceeds \$1,000.

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**Summary of Amended Bill:**

The jurisdiction of the small claims department in each district court is adjusted to \$10,000 for cases brought by a natural person and \$5,000 for all other cases. "Natural person" means a human being.

**Amended Bill Compared to Substitute Bill:**

The underlying bill raised the jurisdiction of the small claims department in each district court from \$5,000 to \$10,000 for all cases. The amended bill adjusts the jurisdiction to \$10,000 for cases brought by a natural person and \$5,000 for all other cases, and defines "natural person" as a human being.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended 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) Many people with valid claims cannot afford a lawyer or have cases that do not have enough value for an attorney to take on and take the risk on contingent fees. Small claims court is a good method for people to settle cases without having attorneys present, but the jurisdictional limit for small claims has not been adjusted in 10 years. Far too many of these cases result in a right to a claim in excess of the jurisdictional limit. So the result is either no access to justice at the courthouse or giving up a right to damages in excess of the jurisdictional limit.

Low-income people need equal protection and access to justice. The amount of jurisdiction in small claims court should be adjusted.

(Opposed) Raising the jurisdiction from \$5,000 to \$10,000 will open the door for more well-resourced corporate litigants to sue people in small claims court. In Spokane, the small claims department has a business docket. Typically, attorneys are not allowed in small claims cases, but in Spokane collections agencies are using well-trained, nonattorney staff members to argue small claims cases with minimal proof required. If the jurisdiction is raised to \$10,000 for all small claims, this could be magnified.

This bill should be adjusted to mirror what is being done in California. In California, the jurisdictional limit is \$10,000, but only for natural persons, not businesses. That would address concerns for low-income persons, but not disadvantage them when facing corporate litigants.

**Persons Testifying:** (In support) Senator Padden, prime sponsor; and Terry Gobel.

(Opposed) Antonio Ginatta.

**Persons Signed In To Testify But Not Testifying:** None.