

SENATE BILL REPORT

SSB 5989

As Passed Senate, January 25, 2018

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: Law & Justice: 1/09/18, 1/18/18 [DPS].

Floor Activity:

Passed Senate: 1/25/18, 49-0.

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| <p>Brief Summary of First Substitute Bill</p> <ul style="list-style-type: none">• Raises the jurisdiction of small claims court from \$5,000 to \$10,000. |
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SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5989 be substituted therefor, and the substitute bill do pass.

Signed by Senators Pedersen, Chair; Dhingra, Vice Chair; Padden, Ranking Member; Angel, Assistant Ranking Member; Darneille, Frockt and Wilson.

Staff: Tim Ford (786-7423)

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 shall be informal, with the sole object 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. This dollar limit was raised twice—in 2008 from \$4,000, and in 2001 from \$2,500.

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.

A defendant has no right to remove an action from the small claims court by merely filing a claim or counterclaim in excess of \$5,000. Claims or counterclaims in excess of \$5,000 may be filed in superior court as a separate action. Such a superior court action may be maintained simultaneously with the small claim action, but the superior court action does not affect the jurisdiction of the small claims court. The decision of the small claims court does not preclude the superior court action.

Summary of First Substitute Bill: The jurisdiction of small claims court is raised from \$5,000 to \$10,000.

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 on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: Small claims courts have a jurisdiction for disputes of \$5,000 or less. This amount needs to increase, and hasn't changed for almost ten years. Other states have limits that are higher than \$5,000. Some people may have actual damages between \$5,000 and \$10,000. They may choose to file in small claims court because they don't want to hire a lawyer and file an action in district or superior court. Those persons would not be able to recover their actual damages because the \$5,000 limit is too low.

OTHER: Current law allows a motion to transfer a small claims case to district or superior court only for good cause. That request for a transfer is decided at the discretion of the small claims court judge. Most small claims cases do not allow attorneys. Yet, the bill language includes an inference of good cause to transfer a case where an attorney files a notice of appearance and pays a jury fee. That language seems to change the law so that the decision to transfer is no longer in the discretion of the small claims court judge.

Persons Testifying: PRO: Senator Mike Padden, Prime Sponsor; Terry Gobel, Gobel Law Office, PLLC; Tim Durkop, Tim Durkop Law Offices.

OTHER: Sam Meyer, District and Municipal Court Judges Association.

Persons Signed In To Testify But Not Testifying: No one.