

SENATE BILL REPORT

SB 5621

As of February 6, 2019

Title: An act relating to increasing the jurisdictional amount for small claims courts.

Brief Description: Increasing the jurisdictional amount for small claims courts.

Sponsors: Senators Warnick, Padden, Holy, Wagoner and Wilson, L..

Brief History:

Committee Activity: Law & Justice: 2/05/19.

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

SENATE COMMITTEE ON LAW & JUSTICE

Staff: Shani Bauer (786-7468)

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. This dollar limit has been raised twice—in 2008 from \$4,000, and in 2001 from \$2,500.

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

Appropriation: None.

Fiscal Note: Not requested.

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

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.

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

Staff Summary of Public Testimony: PRO: This is an access to justice issue. Courts are clogged and this bill allows people an opportunity for a speedier resolution.

Currently there is a vacuum between \$5,000 and \$10,000 for persons who cannot afford an attorney. A person with a claim less than \$5,000 can go to small claims court. For a person with a claim greater than \$10,000, there is a statute that allows a prevailing party an opportunity to recover his or her attorney fees if the person gives the other party advance notice of the claim.

The dollar amounts for district courts have been raised several times. The dollar amount for small claims courts have not been similarly increased.

CON: It is true that small claims courts provide access to justice for regular people to resolve their claims and there is no objection to increasing the availability of this remedy for that population. However, the small claims system has turned into a streamlined debt collection process in some states. Current mechanisms in Washington law protect against this (1) the low monetary limit; (2) attorneys cannot appear; and (3) debt cannot be assigned—must be a real claimant. To avoid the debt collection problem, we would suggest increasing the limit to \$10,000 only for individuals and keep the limit at \$5,000 for businesses. There are 23 states currently at the \$5,000 jurisdiction amount.

Persons Testifying: PRO: Senator Judy Warnick, Prime Sponsor; Terry Gobel.

CON: Antonio Ginatta, Columbia Legal Services.

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