

HOUSE BILL REPORT

HB 1164

As Reported By House Committee On:

Law & Justice

Title: An act relating to dispute resolution services.

Brief Description: Requiring dispute resolution costs to be shared equally between landlords and tenants.

Sponsors: Representatives Sheahan and Sheldon.

Brief History:

Committee Activity:

Law & Justice: 2/4/95, 2/27/97 [DPS].

HOUSE COMMITTEE ON LAW & JUSTICE

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 10 members: Representatives Sheahan, Chairman; McDonald, Vice Chairman; Sterk, Vice Chairman; Carrell; Cody; Kenney; Lambert; Radcliff; Sherstad and Skinner.

Minority Report: Do not pass. Signed by 3 members: Representatives Costa, Ranking Minority Member; Constantine, Assistant Ranking Minority Member; and Lantz.

Staff: Trudes Hutcheson (786-7384).

Background: Various organizations offer alternative dispute resolution services, such as arbitration and mediation, to help parties resolve their conflicts before resorting to the court system.

Under the Residential Landlord-Tenant Act and the Mobile Home Landlord-Tenant Act, a landlord and tenant may, upon agreement, submit certain disputes to mediation or arbitration. If the parties have agreed to arbitration, the arbitration fee is shared equally, unless the arbitrator allocates the fee differently. Both acts provide that if either party is unable to pay his or her share of the arbitration fee, that portion of the fee can be waived or deferred.

Under RCW 7.75, cities and counties may establish and operate dispute resolution centers. A dispute resolution center established under RCW 7.75 receives funding from a portion of court filing fees. A dispute resolution center established under RCW 7.75 must provide services either without charge to the participants or for a fee based on the participants' ability to pay. RCW 7.75 does not preclude other organizations, arbitrators, or mediators from offering dispute resolution services.

Summary of Substitute Bill: When a dispute resolution center established under RCW 7.75 charges a fee for services to parties resolving a dispute under the Residential Landlord-Tenant Act or the Mobile Home Landlord-Tenant Act, the parties receiving the services must share the fee equally. Upon a showing of financial hardship, the dispute resolution center may waive a portion of the fee for either or all parties. However, the waived portion of one party's fees may not be charged to the other party.

Substitute Bill Compared to Original Bill: The parties must share the fee equally, whether or not they agree otherwise. A provision is added to allow a dispute resolution center to waive a portion of a party's fee upon a showing of financial hardship without increasing the other party's portion.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: It is not fair for parties to pay unequal amounts for the same services. If both parties have to pay, they will have something at stake, and the conflict resolution process will be more fair.

Testimony Against: None.

Testified: Teresa Bosler and Mark Gjurasic, Manufactured Housing Communities of Washington (pro).