

# HOUSE BILL ANALYSIS

## HB 2404

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**Title:** An act relating to civil actions for damages.

**Brief Description:** Increasing the amount of damages that may be recovered in a suit involving unfair competition or practices.

**Sponsors:** Representatives Sheahan, Conway, Anderson, Cole, Scott, Constantine, Costa and Mason.

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### HOUSE COMMITTEE ON LAW & JUSTICE

**Staff:** Trudes Hutcheson (786-7384).

**Background:** In 1961, the Legislature enacted the Consumer Protection Act (CPA), which, among other things, prohibits unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce.— The intent of the act is to protect the public and foster fair and honest competition.—

To establish a violation of the CPA, a plaintiff must establish these elements: (a) an unfair or deceptive act or practice; (b) occurring in trade or commerce; (c) an impact on the public interest; (d) injury to the plaintiff in his or her business or property; and (e) a causal connection between the act or practice and the injury. An act or practice is unfair or deceptive if it has the capacity to deceive a substantial portion of the public.

A person who has been injured by a violation of the CPA may bring a civil suit in superior court to enjoin further violations and recover actual damages, costs, and reasonable attorneys' fees. In cases of unfair methods of competition and unfair or deceptive acts or practices in trade or commerce, the superior court may increase the award of damages to an amount not to exceed three times the actual damages, up to \$10,000.

The same statute also allows a person to bring a civil suit for a violation of the CPA in district court to recover actual damages that do not exceed the district court's jurisdictional limit. The statute also gives the district court discretion to award treble damages, but such increased damage award shall not exceed the amount specified in RCW 3.66.020.— That statute, RCW 3.66.020, establishes the district court's jurisdictional limit. Currently, the district court's jurisdictional limit is \$35,000.

**Summary of Bill:** The limit on treble damages that the superior court may award in cases involving violations of the CPA is increased from \$10,000 to \$35,000.

**Fiscal Note:** Not requested.

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

Office of Program Research