

# HOUSE BILL REPORT

## SB 5389

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**As Passed House:**

April 9, 2001

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

**Brief Description:** Adjusting small claims jurisdiction.

**Sponsors:** By Senator Gardner.

**Brief History:**

**Committee Activity:**

Judiciary: 3/23/01, 3/27/01 [DP].

**Floor Activity:**

Passed House: 4/9/01, 95-0.

**Brief Summary of Bill**

- Increases the jurisdictional limit for small claims court from \$2,500 to \$4,000.

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### HOUSE COMMITTEE ON JUDICIARY

**Majority Report:** Do pass. Signed by 10 members: Representatives Carrell, Republican Co-Chair; Lantz, Democratic Co-Chair; Hurst, Democratic Vice Chair; Lambert, Republican Vice Chair; Boldt, Casada, Dickerson, Esser, Lovick and McDermott.

**Staff:** Edie Adams (786-7180).

**Background:**

Small claims court is a department of the district court. The small claims department of the district court has jurisdiction over cases for the recovery of money where the amount claimed does not exceed \$2,500.

An action is commenced in the small claims department by filing a claim that contains specified information and a filing fee. An action originally filed in the district court may be transferred to the small claims department if the claim does not exceed \$2,500.

The hearing and disposition of a small claims court action are informal and generally the

parties may not be represented by attorneys. The parties may offer evidence through witness testimony, and the judge may informally consult witnesses or otherwise investigate the controversy. Small claims court judgements may be appealed to superior court.

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**Summary of Bill:**

The jurisdictional limit for small claims court is increased from \$2,500 to \$4,000.

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**Appropriation:** None.

**Fiscal Note:** Not Requested.

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

**Testimony For:** None.

(With Concerns) Small claims court is informal, and attorneys are generally not allowed. Insurance companies have a duty to defend their policyholders if they get sued. In small claims court, the insurance company cannot follow through on this obligation. Increasing the jurisdictional limit for small claims court will increase the number of cases where insurance companies cannot meet this obligation.

**Testimony Against:** None.

**Testified:** (With concerns) Mel Sorensen, National Association of Independent Insurers.