

Judiciary

HB 1298

Title: *An act relating to small claims collection cost recovery.*

Brief Description: *Authorizing recovery of additional small claims collection costs.*

Sponsors: *Representatives Lantz, Carrell and Esser.*

Brief Summary of Bill

- *Allows a court to add reasonable collection fees to a judgment from small claims court when the party fails to timely pay the judgment.*

Hearing Date: *2/1/01*

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

Background:

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

If a monetary judgment is entered in small claims court, the debtor must either pay the prevailing party at the time the judgment is entered or pay based on a court-approved payment plan.

If the judgment is not timely paid, the prevailing party may notify the court. The court must certify the judgment and enter the judgment transcript on the judgment docket of the district court. Once the judgment is certified and entered on the district court judgment docket, collection of the judgment may occur in the same manner as other judgments of district courts.

If the debtor fails to pay the judgment within 30 days or within the period required by the court, the judgment is increased by: (a) an amount sufficient to cover costs of certification of the judgment to the district court; and (b) the statutory filing fee required by district courts for filing a transcript to the court. The fee for filing transcripts is currently \$15. The judgment may be increased without regard to the jurisdictional limit in small claims court.

Summary of Bill:

When a party in small claims court fails to pay the judgment within 30 days or the time allowed by the court, the judgment will be increased for reasonable collection fees, up to \$300, awarded by the court for work performed to enforce the judgment. The reasonable collection fee is in addition to the amounts the court is currently required to add to the judgment.

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

Appropriation: *None.*

Fiscal Note: *Not Requested.*