

HOUSE BILL REPORT

HB 2798

As Reported by House Committee On: Ways & Means

Title: An act relating to judicial stabilization trust account surcharges.

Brief Description: Changing judicial stabilization trust account surcharges.

Sponsors: Representatives Hudgins, Pedersen and Darneille.

Brief History:

Committee Activity:

Ways & Means: 3/1/12, 3/3/12 [DP].

Brief Summary of Bill

- Increases the temporary surcharges on filing fees in superior and district courts by \$10.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass. Signed by 16 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 10 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Parker, Ross, Schmick and Wilcox.

Staff: Alex MacBain (786-7288).

Background:

Superior and district courts are authorized by statute to collect filing fees and other fees for court services. Revenue from superior court filing fees is split with 46 percent going to the state and the remainder going to the county and the county or regional law library. Revenue

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from district court filing fees is split with 32 percent going to the state and the remainder going to the county and the county or regional law library.

Legislation enacted in 2009 authorized temporary surcharges on filing fees in superior and district courts. Superior court filings are subject to a \$30 surcharge, except filings of an appeal from a court of limited jurisdiction, where the surcharge is \$20. District court filings are subject to a \$20 surcharge, except small claims filings, which are subject to a \$10 surcharge. Legislation enacted in 2011 extended the surcharges until June 30, 2013, and split the revenue from the surcharges between the state and the county collecting the fee, with 75 percent going to the state and 25 percent going to the county.

Local revenue going to the counties from the surcharges must be used to support local trial courts and court-related costs.

The state revenue from surcharges must be remitted to the State Treasurer for deposit into the Judicial Stabilization Trust Account (Account). Expenditures from the Account may only be used for the support of judicial branch agencies. During the 2011-13 biennium, an estimated \$9.2 million will be deposited into the Account. Funds from the Account are appropriated for expenditures in the Administrative Office of the Courts, the Office of Public Defense, and the Office of Civil Legal Aid.

Summary of Bill:

The temporary surcharges on filing fees in superior and district courts are increased by \$10, resulting in the following total surcharges:

- superior court filings \$40;
- filing an appeal from a court of limited jurisdiction \$30;
- district court filings \$30; and
- small claims filings \$20.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This temporary increase in civil filing fees underwrites critical judicial branch functions such as criminal indigent defense and civil legal aid. In the supplemental operating budget that passed the House of Representatives (House), a reduction of \$690,000 in the Office of Civil Legal Aid (Office) is offset by a portion of funds from the new revenue. Without this funding, the Office will have to eliminate three rural offices around the state.

The House operating budget also uses a portion of these new revenues to fund criminal indigent defense through the Office of Public Defense. Of all of the options to protect core judicial branch functions, this does the least harm.

(Opposed) This increase in filing fees represents an 89 percent increase for unlawful detainer filing fees. This fee and other fees make it hard for landlords to provide affordable housing. Evictions are very expensive and are a last resort for landlords. This increase in court costs increases the costs for landlords and will increase rents for tenants. In 2011 landlords did not oppose extending the temporary surcharge from June 2011 to June 2013. But landlords do not support another increase in the surcharge. The court workload is relatively small for these cases because 90 percent of unlawful detainer cases are settled before a formal hearing. One approach moving forward would be to exclude unlawful detainer filings from this surcharge increase.

Persons Testifying: (In support) Jim Bamberger, Washington State Office of Civil Legal Aid; and Sophia Byrd McSherry, Washington State Office of Public Defense.

(Opposed) Darlene Pennock and Chester Baldwin, Washington Apartment Association and Manufactured Housing Communities of Washington; and Julie Johnson, Rental Housing Association.

Persons Signed In To Testify But Not Testifying: None.