

# SENATE BILL REPORT

## SHB 1070

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As Reported by Senate Committee On:  
Law & Justice, March 29, 2017

**Title:** An act relating to filing fee surcharges for funding dispute resolution centers.

**Brief Description:** Concerning filing fee surcharges for funding dispute resolution centers.

**Sponsors:** House Committee on Judiciary (originally sponsored by Representatives Jinkins, Appleton, Robinson, Kirby, Doglio and Fey).

**Brief History:** Passed House: 3/06/17, 68-30.

**Committee Activity:** Law & Justice: 3/21/17, 3/29/17 [DPA, DNP].

### Brief Summary of Amended Bill

- Exempts persons paying an annual assessment for the manufactured/mobile home dispute resolution program from paying the surcharge on superior court civil filings fees for DRCs.

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### SENATE COMMITTEE ON LAW & JUSTICE

**Majority Report:** Do pass as amended.

Signed by Senators Padden, Chair; O'Ban, Vice Chair; Angel and Wilson.

**Minority Report:** Do not pass.

Signed by Senators Pedersen, Ranking Minority Member; Darneille and Frockt.

**Staff:** Tim Ford (786-7423)

**Background:** The creation of DRCs was first authorized by the state Legislature in the 1984 Court Improvement Act for the purpose of providing forums in which persons could voluntarily resolve disputes in an atmosphere that was less costly, less complex, less formal, and less adversarial than the courtroom setting. A DRC may be created and operated by a city or county, or by a nonprofit corporation.

Services offered by a DRC must be provided without charge to a participant or for a fee that is based on a participant's ability to pay.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Typical cases handled by DRCs involve:

- landlords and tenants;
- consumers and merchants;
- neighbors;
- citizens and agencies;
- employees and employers;
- families; and
- divorcing and divorced couples.

For the purpose of funding DRCs, a county legislative authority may impose a surcharge of up to \$10 on each civil filing fee in district court and a surcharge of up to \$15 on each filing fee for small claims actions. Surcharges are collected by the clerk of the court and remitted to the county treasurer for deposit in a separate account used solely for DRCs.

**Summary of Amended Bill:** Exempts persons paying an annual assessment for the manufactured/mobile home dispute resolution program from paying the surcharge on superior court civil filings fees for DRCs.

**EFFECT OF LAW & JUSTICE COMMITTEE AMENDMENT(S):**

- Removes new filing fee surcharge and surcharge increases.
- Retains the exemption from paying the filing fee surcharge for persons paying the annual assessment for the manufactured/mobile home communities dispute resolution program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

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

**Staff Summary of Public Testimony on Substitute House Bill:** *The committee recommended a different version of the bill than what was heard.* PRO: In 1984, the Legislature created a dispute resolution process to resolve disputes in a less adversarial and less formal setting with community participation. In 1990, a surcharge was added for filings in small claims and district courts to fund the dispute resolution center. It can be waived for indigent participants. There is a huge savings to the court by using the dispute resolution center. Pierce County mediates around 600 cases a year. It is used for a variety of disputes including domestic and parenting concerns.

CON: The problem with the bill and increasing the surcharge is that currently the surcharge is 95 percent of the underlying filing fee. If you increase it then it will be 119 percent of the underlying filing fee. This is an access to justice issue. There are many people who cannot afford all the combined fees, and increasing these surcharges makes access to the courts more

difficult. The dispute resolution centers do great work, but I would feel differently if it was funded through the budget instead of through user fees.

**Persons Testifying:** PRO: Representative Jenkins, Prime Sponsor; Maralise Hood Quom, Resolution WA Center Dialog and Resolution; LaDessa Croucher, Volunteers of America Dispute Resolution Center; Tom Parker, Superior Court Judges Association.

CON: Chester Baldwin.

**Persons Signed In To Testify But Not Testifying:** No one.