

**SENATE BILL REPORT**

**SSB 5634**

**AS PASSED SENATE, MARCH 9, 1993**

**Brief Description:** Requiring state agencies to submit interagency disputes to mediation before filing lawsuits.

**SPONSORS:** Senate Committee on Government Operations (originally sponsored by Senators Bauer, Newhouse, Snyder, Haugen, Gaspard, Vognild, Sutherland, Rinehart, Spanel, Talmadge, Winsley, McAuliffe, Moore and Drew)

**SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

**Majority Report:** That Substitute Senate Bill No. 5634 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chairman; Drew, Vice Chairman; Loveland, Oke, and Winsley.

**Staff:** Rod McAulay (786-7754)

**Hearing Dates:** February 17, 1993; February 25, 1993

**HOUSE COMMITTEE ON STATE GOVERNMENT**

**BACKGROUND:**

There is no provision in state law prescribing how state agencies resolve disputes among themselves. Agencies may, at times, institute legal action in the courts against each other at substantial cost.

**SUMMARY:**

All state agencies, including the offices of the Secretary of State, State Treasurer, State Auditor, Insurance Commissioner, Superintendent of Public Instruction and the Department of Natural Resources are required to participate in a 30-day mediation process prior to filing suit against another state agency. A neutral mediator is appointed by agreement of the agencies or by the Governor. Third parties may be invited to participate in the mediation. At the end of 30 days, the mediator shall report either (1) a settlement; (2) an agreement as to a process for reaching settlement; or (3) failure to either settle or reach agreement on a process. The process to achieve settlement may include arbitration or litigation of certain issues. Mandatory arbitration requirements are deleted. The mediation requirements do not apply when an agency must implead another agency in an existing suit or otherwise pursue an appeal or file a notice to avoid the forfeiture of rights or remedies.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested

**TESTIMONY FOR:**

This will reduce the amount of costly litigation within the state government family. It forces agencies to resolve their differences at the table and not in court.

**TESTIMONY AGAINST (original bill):**

Arbitration can be as costly as litigation. Mediation would be preferable.

**TESTIFIED:** Senator Bauer, prime sponsor; Chris Gregoire, Attorney General; Narda Pierce, Deputy AG

**HOUSE AMENDMENT(S):**

It is made clear that state agencies do not include the Legislature and various minor boards and commissions. The mandatory mediation requirement, time limits and mediator reporting requirements are deleted. Agencies are encouraged to resolve disputes without litigation and may request the assistance of the Governor. Alternative dispute resolution methods are encouraged, including mediation.