

SENATE BILL REPORT

EHB 2713

As Reported By Senate Committee On:
Judiciary, February 25, 2000

Title: An act relating to mandatory arbitration.

Brief Description: Regarding mandatory arbitration fees.

Sponsors: Representatives Constantine, Hurst, Haigh and Conway.

Brief History:

Committee Activity: Judiciary: 2/23/2000, 2/25/2000 [DP].

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, Goings, Hargrove, Haugen, Long, McCaslin and Thibaudeau.

Staff: Dick Armstrong (786-7460)

Background: Arbitration is a nonjudicial method for resolving disputes in which a neutral party is given authority to decide the case. Arbitration is intended to be a less expensive and time-consuming way of settling problems than taking a dispute to court. Parties are generally free to agree between themselves to submit an issue to arbitration. In some cases, however, arbitration is mandatory.

A statute allows any superior court, by majority vote of its judges, to adopt mandatory arbitration in prescribed cases. In counties of 70,000 or more population, the county legislative authority may also impose this mandatory arbitration. This mandatory arbitration applies to cases in which the sole relief sought is a money judgment of \$15,000 or less. By a two-thirds vote, the judges of the superior court may raise this limit to \$35,000. These limits were set at their current levels in 1988, when they were raised from \$10,000 and \$25,000, respectively.

An award by an arbitrator may be appealed to the superior court. The superior court will hear the appeal "de novo." That is, the court on appeal will conduct a trial on all issues of fact and law essentially as though the arbitration had not occurred.

Under Initiative 695, any increase in a "tax" requires voter approval. For purposes of the initiative, the term "tax" includes taxes, fees, and "any monetary charge by government."

Summary of Bill: A county legislative authority may impose a filing fee of up to \$120 for a mandatory arbitration request. These fees are to be used solely for the mandatory arbitration program. If Initiative 695 is determined to apply, any such fee must be approved by a vote of the people.

Appropriation: None.

Fiscal Note: Requested on January 26, 2000.

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

Testimony For: This is a good bill and gives each county the option of imposing a fee to support mandatory arbitration. Recent newspaper articles have mentioned many of the benefits of mandating arbitration, because the program is critical to moving thousands of cases through the justice system in an efficient manner. The fee increase is optional and each county has the discretion on whether there is a need to impose the fee. The bill will benefit King, Pierce, Yakima and many other counties that are experiencing revenue problems associated with I-695.

Testimony Against: None.

Testified: PRO: Rep. Constantine, prime sponsor; Larry Shannon, WSTLA; John Cary, King County Bar Assn.; Ralph Maimon, King County Bar Assn.