

SENATE BILL REPORT

SB 6515

As Passed Senate, February 11, 2000

Title: An act relating to mandatory arbitration.

Brief Description: Requiring mandatory arbitration in some counties.

Sponsors: Senators Heavey, McCaslin and Kline.

Brief History:

Committee Activity: Judiciary: 1/12/2000, 1/21/2000 [DP].
Passed Senate, 2/11/2000, 33-13.

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Heavey, Chair; Kline, Vice Chair; Costa, 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 will conduct a trial on all issues of fact and law essentially as though the arbitration had not occurred.

Summary of Bill: In counties with a population of more than 100,000, the mandatory arbitration program under Chapter 7.06 RCW is established automatically without a vote of the superior court judges or the county legislative authority. In counties with a population of less than 100,000, the mandatory arbitration program can be established by majority vote of the superior court judges or by the county legislative authority.

A filing fee not to exceed \$120 may be established by the county legislative authority for a request for mandatory arbitration. The entire amount of the fee must be used for the mandatory arbitration program.

Appropriation: None.

Fiscal Note: Available.

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

Testimony For: The major issue with mandatory arbitration is whether it can continue to exist and be funded in light of possible I-695 budget cuts by local counties. Mandatory arbitration is a discretionary program, but it is important in moving hundreds of small cases through the civil dockets. The bill provides some funding for the program, and the filing fee would be essentially a user fee.

Currently, all counties over 100,000 population have mandatory arbitration. Arbitration provides a mechanism to ease the burden on judges and the whole court system. It provides a quick and less costly way to resolve disputes.

The bill provides a long-term solution for congestion in the superior courts of the state.

Testimony Against: None.

Testified: PRO: Larry Shannon, Michelle Radosevich, WSTLA; Ralph Maillion, Lucy Isaki, King County Bar Association.