

SENATE BILL REPORT

SB 6516

As of January 19, 2000

Title: An act relating to civil courts.

Brief Description: Allowing for mandatory arbitration in district court.

Sponsors: Senators Heavey and Kline.

Brief History:

Committee Activity: Judiciary: 1/24/2000.

SENATE COMMITTEE ON JUDICIARY

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.

The mandatory arbitration statute provides that Supreme Court rule will establish the procedures to be used in mandatory arbitration. The statute also provides that the Supreme Court rules may allow for the recovery of costs and reasonable— attorney fees from a party who demands a trial *de novo* and fails to improve his or her position on appeal.

Currently, district courts have civil jurisdiction where the amount in controversy is \$35,000 or less. Mandatory arbitration is within the jurisdiction of the superior courts.

Summary of Bill: The civil jurisdiction level for district courts is increased from \$35,000 to \$50,000. Court rules may provide for the transfer of specified cases subject to the mandatory arbitration statute from superior court to district court.

Filing fees for mandatory arbitration cases may be set by local ordinance not to exceed \$120 for superior court and \$31 for district court.

Appropriation: None.

Fiscal Note: Not requested.

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