

FINAL BILL REPORT

SB 5227

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Synopsis as Enacted

Brief Description: Creating the international commercial arbitration act.

Sponsors: Senators Baumgartner, O'Ban, Dammeier and Fain.

Senate Committee on Law & Justice
House Committee on Judiciary

Background: Arbitration is a method for resolving disputes without going to court. In international commercial dealings, arbitration gives businesses more control because the process is set by the parties' private agreement and the decision maker is a mutually selected neutral party. Arbitration keeps business disputes confidential and protects businesses from uncertain outcomes based on foreign laws and judicial processes.

The international commercial arbitration law's purpose is to provide uniform terms for arbitration agreements and uniform enforcement processes for arbitration agreements and awards. Currently more than 60 nations and eight U.S. states have adopted the international commercial arbitration law. The states that have adopted the law are California, Connecticut, Florida, Georgia, Illinois, Louisiana, Oregon, and Texas. Washington has not adopted the international commercial arbitration law.

Summary: The international commercial arbitration law applies only to arbitrations that take place within Washington except when a superior court has authority to issue or enforce interim measures, or to enforce arbitration agreements and awards. Washington's international commercial arbitration law is subject to any conflicting agreements between the federal government and other nations. The arbitration agreement must be in writing. An arbitration clause may remain valid even if the underlying contract of the parties is invalid. Parties may pursue arbitration under their arbitration agreement even if the dispute is pending in court.

Votes on Final Passage:

Senate	37	10
House	98	0

Effective: July 24, 2015

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.