

SENATE BILL REPORT

SHB 2754

As Reported By Senate Committee On:
Judiciary, February 26, 2002

Title: An act relating to mandatory arbitration.

Brief Description: Modifying mandatory arbitration provisions.

Sponsors: House Committee on Judiciary (originally sponsored by Representatives Lantz, Esser, Dickerson, Jarrett, Lysen and Kagi).

Brief History:

Committee Activity: Judiciary: 2/25/02, 2/26/02 [DP].

SENATE COMMITTEE ON JUDICIARY

Majority Report: Do pass.

Signed by Senators Kline, Chair; Kastama, Vice Chair; Costa, Hargrove, Johnson, Long, McCaslin, Poulsen, Thibaudeau and Zarelli.

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.

A statute allows any superior court, by a 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. Superior court judges may also vote to use mandatory arbitration in child support cases, without limit as to the dollar amount of the support payments.

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. The mandatory arbitration statute provides that Supreme Court rules will establish the procedures to be used in mandatory arbitration. The rules make the award of costs and fees mandatory when an appealing party fails to improve his or her position, and makes such awards discretionary when an appealing party withdraws the appeal. The determination of whether or not the appealing party's position has been improved is based on the amount awarded in arbitration compared to the amount awarded at the trial de novo.

In 2000, the Legislature authorized counties to assess a fee of up to \$120 for requesting mandatory arbitration.

Summary of Bill: Counties with a population of more than 150,000 must adopt mandatory arbitration. In counties with a population of less than 150,000, either the superior court judges or the county legislative authority may adopt mandatory arbitration.

The maximum fee that a county may assess for mandatory arbitration requests is increased to \$220. The reference to possible voter approval under Initiative 695 is removed.

Superior court filing fees may be waived in the case of an indigent person.

Appropriation: None.

Fiscal Note: Not requested.

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

Testimony For: This bill will help King County to continue its mandatory arbitration program. Mandatory arbitration allows for disputes to be settled quickly and inexpensively for the litigants. The bill is necessary to save the program in several of the counties, but especially King County. Discretionary programs in the counties are vulnerable to budget cuts. This allows counties to self-fund the program.

The mandatory arbitration program helps to reduce court congestion in superior court and move cases out of the courthouse.

Testimony Against: None.

Testified: PRO: Representative Lantz, prime sponsor; Larry Shannon, WSTLA; Nick Corning, attorney.