

# JUDICIAL IMPACT FISCAL NOTE

|                                   |                                    |  |
|-----------------------------------|------------------------------------|--|
| <b>Bill Number:</b><br>1128 HB PL | <b>Title:</b><br>Civil Arbitration | <b>Agency:</b><br>055 – Administrative Office<br>of the Courts (AOC) |
|-----------------------------------|------------------------------------|--|

**Part I: Estimates**

**No Fiscal Impact**

**Estimated Cash Receipts to:**

|               | FY 2018 | FY 2019 | 2017-19 | 2019-21 | 2021-23 |
|---------------|---------|---------|---------|---------|---------|
|               |         |         |         |         |         |
| <b>Total:</b> |         |         |         |         |         |

**Estimated Expenditures from:**

| STATE                                | FY 2018 | FY 2019 | 2017-19 | 2019-21 | 2021-23 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE – Staff Years                    |         |         |         |         |         |
| <b>Account</b>                       |         |         |         |         |         |
| General Fund – State (001-1)         |         |         |         |         |         |
| State Subtotal                       |         |         |         |         |         |
| <b>COUNTY</b>                        |         |         |         |         |         |
| County FTE Staff Years               |         |         |         |         |         |
| <b>Account</b>                       |         |         |         |         |         |
| Local - Counties                     |         |         |         |         |         |
| Counties Subtotal                    |         |         |         |         |         |
| <b>CITY</b>                          |         |         |         |         |         |
| City FTE Staff Years                 |         |         |         |         |         |
| <b>Account</b>                       |         |         |         |         |         |
| Local – Cities                       |         |         |         |         |         |
| Cities Subtotal                      |         |         |         |         |         |
| Local Subtotal                       |         |         |         |         |         |
| <b>Total Estimated Expenditures:</b> |         |         |         |         |         |

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form parts I-V

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

Capital budget impact, complete Part IV.

|                                 |                     |                |
|---------------------------------|---------------------|----------------|
| Legislative Contact:            | Phone:              | Date:          |
| Agency Preparation: Sam Knutson | Phone: 360-704-5528 | Date: 3/2/2018 |
| Agency Approval: Ramsey Radwan  | Phone: 360-357-2406 | Date:          |
| OFM Review:                     | Phone:              | Date:          |

## Part II: Narrative Explanation

This bill would make changes to various statutes regarding civil arbitration.

The bill would:

- Remove all references to the word “mandatory” throughout mandatory arbitration laws, and replace it with the word “civil” in some instances;
- Increase the maximum arbitration limit to \$100,000 if approved by two-thirds or greater of judges of the superior court of a county;
- Provide for that adoption of certain procedural rules for the timing of an arbitration hearing and permissible discovery;
- Set qualifications for a person who would serve as an arbitrator;
- Require a notice of appeal from arbitration to be signed; and
- Increase the arbitration filing fee from \$220 to \$250, and the trial *de novo*<sup>1</sup> filing fee from \$250 to \$400.

### Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

This bill would replace the term "mandatory" with "civil" in reference to arbitration laws under chapter 7.06 RCW. The bill would increase the money judgment amount for arbitrated civil actions to \$100,000 on approval by two-thirds of the judges of a superior court. The bill would adopt procedural rules for arbitration hearings and discovery. The bill would set qualifications for arbitrators. The bill would require that a notice of appeal from arbitration must be signed by the aggrieved party. The bill would increase the maximum arbitration filing fee from \$220 to \$250 and the trial *de novo* filing fee from \$250 to \$400.

Court impact would be dependent on individual courts' decisions to participate.

### II.B - Cash Receipt Impact

The maximum filing fee for a request for civil arbitration would be raised from \$220 to \$250, as established by authority of local ordinance. Of this fee, \$200 must be used to offset the cost of the civil arbitration program, and \$30 of each fee must be used for indigent defense services. The maximum filing fee for a request for trial *de novo* of a civil arbitration award would be raised from \$250 to \$400, as established by authority of local ordinance.

Indeterminate. Fee increases are established by local legislative authority. It is unknown how many would enact fee increases.

### II.C – Expenditures

Court impact is indeterminate. There is no data available to predict which courts would participate, or how many more cases would go to arbitration.

Accounting codes would need to be updated to provide for the increased filings fees and fee distribution. This would be managed within existing resources.

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<sup>1</sup> *De novo* appeal refers to an appeal in which the appellate court uses the trial court's record but reviews the evidence and law without yielding to the trial court's ruling. *De novo* is a standard of review that can be applied on appeal. When an issue is reviewed *de novo*, the reviewing court substitutes its judgment for that of the trial court.