

A BILL TO BE ENTITLED

AN ACT

relating to the filing of certain information by arbitrators after each arbitration.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Title 7, Civil Practice and Remedies Code, is amended by adding Chapter 177 to read as follows:

CHAPTER 177. ARBITRATOR REQUIREMENTS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 177.001. POLICY; FINDINGS. (a) State and federal policy favors submitting disputes to arbitration. The benefits of arbitration include quicker and less expensive resolution of disputes than is generally available by litigation.

(b) It is this state's policy to ensure that a person's right to the fair and impartial hearing and resolution of a civil complaint is not infringed. To protect that right, it is in the public interest and is the purpose of this chapter to require the provision of information needed to evaluate whether the public policy supporting arbitration is being served and to establish a basic system for evaluating and ensuring the accountability of arbitrators and arbitration services providers.

Sec. 177.002. DEFINITIONS. In this chapter:

(1) "Arbitration panel" means a group or panel of arbitrators.

(2) "Arbitration services provider" means a person

1 that holds itself out as:

2 (A) managing, coordinating, or administering
3 arbitrations;

4 (B) providing the services of arbitrators;

5 (C) making referrals or appointments to
6 arbitrators; or

7 (D) providing lists of arbitrators.

8 (3) "Arbitrator" means a neutral individual,
9 including a member of a panel of neutral individuals, who hears the
10 claims of the parties to a dispute and renders a decision and who
11 is:

12 (A) chosen by the parties to the dispute;

13 (B) appointed by a court; or

14 (C) selected by an arbitration services provider
15 under an agreement of the parties or applicable rules.

16 (4) "Office of court administration" means the Office
17 of Court Administration of the Texas Judicial System.

18 Sec. 177.003. APPLICABILITY. The requirements of this
19 chapter supplement, in any arbitration held in this state, the
20 arbitration law of this state and any other state and the Federal
21 Arbitration Act (9 U.S.C. Sections 1-16) and apply to any
22 arbitration subject to those laws.

23 [Sections 177.004-177.050 reserved for expansion]

24 SUBCHAPTER B. DISCLOSURE PROCEDURES

25 Sec. 177.051. DISCLOSURE FILING. For each arbitration,
26 the arbitrator or arbitration panel that conducts the arbitration
27 or, if an arbitration services provider administers the

1 arbitration, the arbitration services provider shall file an
2 arbitration disclosure before the 31st day after the arbitration
3 award is signed with the office of court administration.

4 Sec. 177.052. DISCLOSURE INFORMATION. The disclosure must
5 contain the following information:

6 (1) the names of the parties to the dispute;

7 (2) the name of each party's attorney, if any;

8 (3) the name of the arbitrator or of each member of the
9 arbitration panel conducting the arbitration;

10 (4) the name of the arbitration services provider
11 administering the arbitration, if any;

12 (5) a general statement of the nature of the dispute
13 and the relief requested by each party;

14 (6) the arbitrator's or the arbitration panel's
15 decision and award;

16 (7) the date the award was signed;

17 (8) the date the arbitrator or arbitration panel was
18 selected or appointed to conduct the arbitration;

19 (9) the fees and expenses charged by each arbitrator;
20 and

21 (10) the fees and expenses charged by the arbitration
22 services provider administering the arbitration, if any.

23 [Sections 177.053-177.100 reserved for expansion]

24 SUBCHAPTER C. ENFORCEMENT PROVISIONS

25 Sec. 177.101. LATE FILING FEE. (a) The director of the
26 office of court administration, under the supervision of the chief
27 justice, shall implement procedures for the collection of a fee not

1 to exceed \$100 for the late filing of an arbitration disclosure in
2 accordance with rules adopted by the supreme court for the
3 efficient administration of justice.

4 (b) A party to an arbitration, or an attorney for the party,
5 may report an overdue filing of the arbitration disclosure to the
6 office of court administration.

7 (c) An arbitration disclosure that is filed within the
8 period specified by Section 177.051 is not subject to a filing fee.

9 Sec. 177.102. LATE DISCLOSURE FILERS; INELIGIBILITY FOR
10 ARBITRATION ADMINISTRATION. (a) An arbitrator, including a
11 member of an arbitration panel, or arbitration services provider is
12 ineligible to conduct or administer a court-ordered arbitration
13 during the period in which the arbitrator or panel of which the
14 arbitrator is a member or arbitration services provider:

15 (1) fails to file an overdue arbitration disclosure;
16 or

17 (2) owes a fee for late filing.

18 (b) An arbitrator who personally or as a member of an
19 arbitration panel has failed, or an arbitration services provider
20 that has failed, three times in the preceding 12-month period to
21 timely file arbitration disclosures is ineligible to conduct or
22 administer a court-ordered arbitration until the first anniversary
23 of the date the office of court administration receives the third
24 report of an overdue filing with respect to that arbitrator or
25 arbitration services provider.

26 (c) The office of court administration shall compile,
27 maintain, and publish on the Internet an updated list of

1 arbitrators and arbitration services providers that are ineligible
2 to conduct or administer a court-ordered arbitration under
3 Subsection (a) or (b).

4 (d) The director of the office of court administration,
5 under the supervision of the chief justice, shall implement a
6 procedure by which an arbitrator or arbitration services provider
7 can be removed from the published list, in accordance with rules
8 adopted by the supreme court for the efficient administration of
9 justice.

10 (e) The office of court administration and the Texas
11 Judicial Council shall include in the annual report under Section
12 71.034, Government Code, a list of all the names of arbitrators or
13 arbitration services providers who have been on the ineligible list
14 during the period included in that report.

15 [Sections 177.103-177.150 reserved for expansion]

16 SUBCHAPTER D. IMMUNITY

17 Sec. 177.151. IMMUNITY FROM CIVIL LIABILITY. An
18 arbitrator or arbitration services provider is immune from civil
19 liability for providing information required for compliance with
20 this chapter unless the complaining party proves that the
21 arbitrator or arbitration services provider recklessly or
22 knowingly provided false information.

23 SECTION 2. (a) For the purpose of this section, the date an
24 arbitration is commenced is the date an arbitrator, as defined by
25 Section 177.002, Civil Practice and Remedies Code, as added by this
26 Act, is selected or appointed.

27 (b) This Act takes effect January 1, 2004, and Chapter 177,

1 Civil Practice and Remedies Code, as added by this Act, applies only
2 to an arbitration commenced on or after that date. An arbitration
3 commenced before January 1, 2004, is governed by the law applicable
4 to arbitrations immediately before January 1, 2004, and that law is
5 continued in effect for that purpose.