

BILL ANALYSIS

Senate Research Center
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S.B. 505
By: West, Royce
Jurisprudence
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AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Often, parties to an arbitration will request that a court compel arbitration or appoint an arbitrator. The reasons for these requests vary, but often occur because parties cannot agree to arbitrate, on an arbitrator, or have failed to establish a means for choosing an arbitrator. In such situations, courts can and will compel arbitration with a particular arbitrator.

However, courts have no means of identifying or tracking individuals or entities providing arbitration services in the state, even though the court sanctions these entities through its appointment action. The court should not approve or require arbitration with a particular entity without a minimal amount of knowledge about who is being approved. Additionally, citizens have a limited database from which they may see a list of available arbitrators.

As proposed, S.B. 505 provides citizens an opportunity to see a list of available arbitrators that has been complied with a minimal registration requirement. S.B. 505 does not affect the enforcement of an arbitration agreement and parties would continue to have access to the courts to enforce their arbitration agreements whether or not the arbitrator is registered.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Title 7, Civil Practice and Remedies Code, by adding Chapter 180, as follows:

CHAPTER 180. REGISTRATION OF ARBITRATORS AND ARBITRATION SERVICES PROVIDERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 180.001. DEFINITIONS. Defines "arbitration services provider," "arbitrator," "consumer arbitration," and "employment arbitration."

Sec. 180.002. APPLICABILITY. (a) Provides that this chapter applies only to a consumer or employment arbitration conducted in this state to which Chapter 171 or the Federal Arbitration Act (9 U.S.C. Sections 1-16) applies, except as provided by Subsection (b).

(b) Sets forth a certain arbitration for which this chapter does not apply.

(c) Provides that the requirements of this chapter supplement, in any arbitration held in this state, Chapter 171 (General Arbitration), the arbitration law of any other state, and the Federal Arbitration Act (9 U.S.C. Sections 1-16), as amended.

[Reserves Sections 180.003-180.050 for expansion.]

SUBCHAPTER B. REGISTRATION WITH SECRETARY OF STATE

Sec. 180.051. REGISTRATION REQUIREMENTS; PUBLIC INFORMATION. (a) Requires each arbitrator or arbitration services provider to register annually with the office of the secretary of state in the format required by the secretary of state, providing certain information, and a \$10 fee.

(b) Requires the secretary of state to maintain an updated list of arbitrators and arbitration services providers and make the list available to the public.

Sec. 180.052. INELIGIBILITY TO CONDUCT OR ADMINISTER ARBITRATION. Provides that an arbitrator or arbitration services provider who is not registered with the office of the secretary of state as required by Section 180.051 is ineligible to be appointed by a court to arbitrate or administer an arbitration under Section 171.041(b) (Appointment of Arbitrators).

SECTION 2. (a) Provides that, for the purposes of this section, the date an arbitration is commenced is the date an arbitrator is selected or appointed.

(b) Makes application of this Act prospective to January 1, 2006.

SECTION 3. Effective date: September 1, 2005.