

By: West

S.B. No. 505

A BILL TO BE ENTITLED

AN ACT

relating to registration of arbitrators and arbitration services providers with the secretary of state.

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 180 to read as follows:

CHAPTER 180. REGISTRATION OF ARBITRATORS AND ARBITRATION

SERVICES PROVIDERS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 180.001. DEFINITIONS. In this chapter:

(1) "Arbitration services provider" means a person that holds itself out as:

(A) managing, coordinating, or administering arbitrations;

(B) providing the services of arbitrators;

(C) making referrals or appointments to arbitrators; or

(D) providing lists of arbitrators.

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

(A) chosen by the parties to the dispute;

(B) appointed by a court; or

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

3 (3) "Consumer arbitration" means an arbitration that
4 arises out of or relates to a transaction in which an individual
5 acquires or seeks to acquire credit or the purchase or lease of
6 goods or services primarily intended to be used for personal,
7 family, or household purposes.

8 (4) "Employment arbitration" means an arbitration
9 arising out of or relating to an employment relationship or
10 prospective employment relationship other than a grievance or
11 arbitration proceeding that is subject to a collective bargaining
12 agreement.

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

17 (b) This chapter does not apply to an arbitration conducted
18 or administered by a self-regulatory organization as defined by the
19 Securities Exchange Act of 1934 (15 U.S.C. Section 78c), as
20 amended, the Commodity Exchange Act (7 U.S.C. Section 1 et seq.), as
21 amended, or regulations adopted under those acts.

22 (c) The requirements of this chapter supplement, in any
23 arbitration held in this state, Chapter 171, the arbitration law of
24 any other state, and the Federal Arbitration Act (9 U.S.C. Sections
25 1-16), as amended.

26 [Sections 180.003-180.050 reserved for expansion]

SUBCHAPTER B. REGISTRATION WITH SECRETARY OF STATE

Sec. 180.051. REGISTRATION REQUIREMENTS; PUBLIC INFORMATION. (a) Each arbitrator or arbitration services provider shall register annually with the office of the secretary of state in the format required by the secretary of state, providing the arbitrator or arbitration services provider's name, mailing address, and phone number. The arbitrator or arbitration services provider shall submit a \$10 fee with the initial registration submitted under this subsection.

(b) The secretary of state shall 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. 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).

SECTION 2. (a) For the purposes of this section, the date an arbitration is commenced is the date an arbitrator, as defined by Section 180.001, Civil Practice and Remedies Code, as added by this Act, is selected or appointed.

(b) This Act applies only to an arbitration commenced on or after January 1, 2006. An arbitration commenced before January 1, 2006, is governed by the law applicable to arbitrations immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2005.