

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 20, 2005

TO: Honorable Jeff Wentworth, Chair, Senate Committee on Jurisprudence

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: SB503 by West, Royce (Relating to making the award of an arbitration an open record.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
--

The bill relates to making an arbitration award an open record and would require arbitrators, within 31 days of an arbitration award being signed, to file an arbitration disclosure with the Office of Court Administration (OCA). OCA must establish procedures and a fee for the late filing of an arbitration award, must compile a semi-annual list of arbitrators who are ineligible to arbitrate because of failure to timely file awards, and must establish procedures for removing an arbitrator from the ineligible list.

OCA indicates the costs of administering bill provisions could be absorbed by the agency in the scope of its regular duties. This estimate assumes that OCA would receive the arbitration disclosure, as required, and would maintain a minimal amount of information in an automated format. No registration or enforcement procedures for arbitrators would be established and late filing fees would be assessed only on arbitrators who are reported to OCA by a party to arbitration or an attorney for the party. OCA reports that the American Association of Arbitrators indicates Texas has approximately 600 arbitrators. To the extent that this number of arbitrators file awards with OCA and a small percentage of these must pay fees for late filings, the fiscal implication to the State is not anticipated to be significant.

Local Government Impact

To the extent the bill establishes procedures for courts to adjudicate requests to seal arbitration awards, no significant fiscal implication to units of local government is anticipated.

Source Agencies: 212 Office of Court Administration, Texas Judicial Council

LBB Staff: JOB, LB, ZS, TB