

## **BILL ANALYSIS**

S.B. 1650  
By: Duncan  
Judiciary & Civil Jurisprudence  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, appeals are only authorized to be taken from final orders or judgments unless an interlocutory challenge is permitted by statute. There is a statutory exception permitting interlocutory appeal of a lower court's denial of petition to order arbitration in cases subject to the Texas General Arbitration Act. However, there is no such statutory exception in cases subject to the Federal Arbitration Act, and the Supreme Court of Texas has held that review in these cases is required to be made by writ of mandamus. As a result, there are two different procedures for seeking review under the two arbitration acts, leading to duplicative action that may be unnecessarily expensive and cumbersome.

As proposed, S.B. 1650 creates a statutory exception to the general procedure rule to authorize interlocutory appeal of a court's petition denial in cases subject to the Federal Arbitration Act.

### **RULEMAKING AUTHORITY**

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

### **ANALYSIS**

SECTION 1. Amends Subchapter B, Chapter 51, Civil Practice and Remedies Code, by adding Section 51.016, as follows:

Sec. 51.016. APPEAL ARISING UNDER FEDERAL ARBITRATION ACT. Authorizes a person, in a matter subject to the Federal Arbitration Act (9 U.S.C. Section 1 et seq.), to take an appeal or writ of error to the court of appeals from the judgment or interlocutory order of a district court, county court at law, or county court under the same circumstances that an appeal from a federal district courts order or decision would be permitted by 9 U.S.C. Section 16.

SECTION 2. (a) Provides that except as provided by this section, the changes in law made by this Act applies to an action filed on or after the effective date of this Act or pending on the effective date of this Act.

(b) Provides that the change in law made by this Act does not apply to the appeal of an interlocutory order in an action pending on the effective date of this Act if the appeal of the order is initiated before the effective date of this Act.

SECTION 3. Effective date: September 1, 2009.

### **EFFECTIVE DATE**

September 1, 2009.