

By: White of Bell

H.B. No. 3698

A BILL TO BE ENTITLED

AN ACT

relating to nonbinding dispute resolution proceedings conducted by religious organizations or authorities.

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

SECTION 1. Subchapter D, Chapter 154, Civil Practice and Remedies Code, is amended by adding Section 154.074 to read as follows:

Sec. 154.074. NONBINDING DISPUTE RESOLUTION THROUGH RELIGIOUS ORGANIZATION OR AUTHORITY. (a) Notwithstanding Section 110.003, a religious organization or authority that provides a nonbinding dispute resolution proceeding shall provide a disclosure statement to each party to the proceeding. The disclosure must state that:

(1) the organization or authority conducting the nonbinding dispute resolution proceeding is not a court of law;

(2) a nonbinding dispute resolution proceeding that results in a settlement agreement is not binding on the parties and does not have the force of law unless and until a judge signs the settlement agreement;

(3) after the parties have signed the settlement agreement and the agreement is filed with the clerk of the court, the agreement may be modified by agreement of the parties if the disclosure is signed and witnessed in accordance with Subsection (c) and attached to the agreement when filed;

1 (4) judges are bound by public policy imperatives and
2 will not sign a settlement agreement that is void on its face by
3 virtue of the application of foreign law to the dispute that
4 violates the public policy of this state, meaning an agreement that
5 violates good morals or natural justice or is prejudicial to the
6 general interests of the citizens of this state;

7 (5) the parties recognize that a judge who signs the
8 settlement agreement is unable to review the terms and conditions
9 of agreement formation for compliance with public policy standards
10 or procedural due process requirements and that only a court
11 hearing or binding arbitration process will provide review of
12 important aspects of a contract or marriage formation or
13 dissolution or an arbitration for:

14 (A) the validity and scope of any arbitration
15 agreement between the parties;

16 (B) compliance of an arbitration proceeding with
17 proper procedures and due process;

18 (C) whether any resulting decision is irrational
19 or void as against the public policy of this state;

20 (D) the entitlement of a party to adequate notice
21 and representation by an attorney;

22 (E) the obligation of an arbitrator to disclose
23 information relevant to the arbitrator's impartiality; and

24 (F) the inability of a party to agree to the
25 unreasonable restriction of the party's right to notice or
26 arbitrator disclosure or to waive the right to attorney
27 representation; and

1 (6) a party has the right to petition a court to
2 establish a fact or condition leading to or contained in the
3 settlement agreement, subject to the applicable statute of
4 limitations.

5 (b) A religious organization or authority that provides
6 nonbinding dispute resolution proceedings shall include in any and
7 all of the organization's or authority's training or governing
8 materials for nonbinding dispute resolution proceedings:

9 (1) a reference to the requirement that the parties to
10 a nonbinding dispute resolution proceeding sign the disclosure
11 statement described by Subsection (a);

12 (2) a copy of a form containing the required
13 disclosure statement; and

14 (3) a statement that child custody or child support
15 disputes may not be addressed through a nonbinding dispute
16 resolution proceeding.

17 (c) Each party to a nonbinding dispute resolution
18 proceeding provided by a religious organization or authority must
19 sign the disclosure statement described by Subsection (a) in the
20 presence of a subscribing witness before the proceeding commences.
21 If the parties file the resulting settlement agreement with the
22 clerk of a court to obtain the signature of a judge, the judge must
23 also sign the disclosure statement.

24 (d) A religious organization or authority that provides
25 nonbinding dispute resolution proceedings shall maintain all files
26 related to a nonbinding dispute resolution proceeding, regardless
27 of whether the proceeding resulted in a settlement agreement. The

1 files shall be kept at a physical location where the religious
2 organization or authority meets and, on request, presented for
3 review by any person.

4 (e) A religious organization or authority may not address
5 child custody or child support disputes through a nonbinding
6 dispute resolution proceeding.

7 SECTION 2. The change in law made by this Act applies only
8 to a nonbinding dispute resolution proceeding that is commenced on
9 or after the effective date of this Act. A nonbinding dispute
10 resolution proceeding that is commenced before the effective date
11 of this Act is governed by the law as it existed immediately before
12 that date, and that law is continued in effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2015.