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FISCAL NOTE

Drafting Number: LLS 18-0946 Date: March 9, 2018
Prime Sponsors: Rep. Jackson; Roberts Bill Status: House Judiciary
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Bill Topic: ARBITRATION SERVICES PROVIDER TRANSPARENCY ACT

- Summary of Fiscal Impact: State Revenue (minimal), State Expenditure (minimal), State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill requires distribution of arbitration case history information from arbitration services providers. It may increase state revenue and expenditures by a minimal amount on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

This bill requires that an arbitration services provider (provider) that administers consumer or employment arbitrations collect and make available specific information on those arbitrations administered over the previous five years.

- whether the arbitration was demanded due to a predispute arbitration clause and if so, whether this clause designated that provider;
the name of a nonconsumer party or employer and whether that party initiated the arbitration or was the responding party;
the category of the dispute involved;
whether the consumer, nonconsumer, employee, or employer was the prevailing party;
the total number of occasions, if any, that the nonconsumer or employer party had previously been a party to an arbitration or mediation administered by that provider;
the name of the attorney and law firm who represented a party, if any;
information about key case-related dates;
the type of disposition of the dispute;
if applicable, the manner in which any hearings were conducted;
the amount of the claim and awards involved; and
the name of the arbitrator, with his or her fee information.

A provider shall not conduct arbitrations unless it has substantially complied with the bill's requirements. A party to an arbitration agreement is entitled to injunctive relief against any provider who fails to substantially comply with these requirements. For purposes of vacating an award, the bill establishes the circumstances under which a provider and judicial officer's partiality would require disqualification from participating in a particular arbitration.

**State Revenue**

Beginning in the current FY 2017-18, this bill may increase state cash fund revenue by a minimal amount. If the required disclosures and provision of arbitration case history lead more parties to seek relief from the courts to vacate existing arbitration awards, civil filing fees will increase. Typically this fee is \$224 per case, the majority of which is credited to the Judicial Stabilization Cash Fund, with a portion of fees credited to the Justice Center Fund, the Court Security Fund, and the General Fund.

**TABOR Refund**

The bill may increase state revenue subject to TABOR by a minimal amount in FY 2017-18, FY 2018-19 and FY 2019-20. State revenue is not currently expected to exceed the TABOR limit in any of these years and no refund is required. Therefore, the bill is not expected to impact TABOR refunds in these years. However, refunds in future years when the state next collects a TABOR surplus will be increased.

**State Expenditures**

To the extent that this bill increases filings to challenge arbitrator appointments or to vacate arbitration awards, trial court workload will increase. The fiscal note assumes that arbitrators will substantially comply with the law and that any impact is minimal. Therefore, no change in appropriations for the Judicial Department is required.

**Effective Date**

The bill takes effect upon passage.

**State and Local Government Contacts**

Information Technology  
Law

Judicial  
Regulatory Agencies

Labor