



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number: LLS 18-0946
Prime Sponsors: Rep. Jackson; Roberts
Sen. Kagan

Date: May 23, 2018
Bill Status: Postponed Indefinitely
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Bill Topic: ARBITRATION SERVICES PROVIDER TRANSPARENCY ACT

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue (<i>minimal</i>) <input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>) <input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> TABOR Refund <input type="checkbox"/> Local Government <input type="checkbox"/> Statutory Public Entity
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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 revised fiscal note reflects the reengrossed bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill requires that an arbitration services provider (provider) that sponsors or administers consumer or employment arbitrations collect and make available specific information on those arbitrations administered over the previous five years. Information must be published on at least a quarterly basis and made available on its website, in a searchable and sortable manner and free of charge. If a written request is received, a single cumulative report must be made available. The provider must provide the following information concerning each arbitration:

- 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 party to an arbitration agreement is entitled to injunctive relief against any provider who fails to substantially comply with these requirements. An arbitration services provider is not liable in a claim for damages for failure to collect, publish, or distribute the required information. No right conferred by the bill may be waived before a party to the dispute demands arbitration or files a claim that is compelled to arbitration. After an arbitration demand has been filed or after a claim is compelled to arbitration, the parties to a dispute may waive any right conferred by the bill if the waiver is made in writing and signed by the parties to the 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

This bill increases state revenue from court filing fees, which will increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. A TABOR refund obligation is not expected for the current FY 2017-18. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount. State revenue subject to TABOR is not estimated for years beyond FY 2019-20.

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 was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on April 18, 2018.

State and Local Government Contacts

Information Technology
Law

Judicial
Regulatory Agencies

Labor