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FISCAL IMPACT REPORT

SPONSOR Grubestic DATE TYPED 3/14/05 HB _____

SHORT TITLE Study Unfair Practices Act Mediation SB SJM 62

ANALYST Ford

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
			NFI		

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB 360/HJCS, SB 118/SJCS

SOURCES OF INFORMATION

LFC Files

Responses Received From

Administrative Office of the Courts (AOC)
 Attorney General (AGO)
 Economic Development Department (EDD)

SUMMARY

Synopsis of Bill

Senate Joint Memorial 62 makes findings regarding mandatory mediation and the unknown financial impacts on the parties, businesses and the public of mandatory mediation. The memorial calls upon the appropriate interim legislative committee to study the efficacy and financial impact of mandatory mediation in claims under the Unfair Trade Practices Act and report to the legislative council no later than November 30, 2005.

Significant Issues

Mandatory mediation is one of many alternatives to litigation. Mediation can take place before a suit is filed or after. Senate Joint Memorial 62 calls for a study of mandatory mediation in claims under the Unfair Practices Act.

There is difference of opinion regarding the merits of mediation. Some feel that mediation provides a viable alternative to litigation that saves money to the parties involved and to the courts. Others raise concerns about the fairness of mediation, noting that the courts do not oversee mediation, that mediation services can be expensive, and that mediation can be unfairly biased toward one party, particularly if a business or individual repeatedly hires the same mediator.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

The House Judiciary Committee substitute for House Bill 360 and the Senate Judiciary Committee substitute for Senate Bill 118 would require, at the request of one party, parties to an Unfair Practices Act claim to enter into mediation after the suit has been filed.

EF/lg