

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1878 Session of
1999

INTRODUCED BY LESCOVITZ, LAUGHLIN, BATTISTO AND STEELMAN,
SEPTEMBER 29, 1999

REFERRED TO COMMITTEE ON JUDICIARY, SEPTEMBER 29, 1999

AN ACT

1 Amending Title 42 (Judiciary and Judicial Procedure) of the
2 Pennsylvania Consolidated Statutes, authorizing the judiciary
3 to use alternative means of dispute resolution to resolve
4 issues in controversy; establishing certain duties upon
5 parties which reject certain arbitration awards; and
6 establishing criteria for the selection of arbitrators.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 7361(a) and (b) of Title 42 of the
10 Pennsylvania Consolidated Statutes are amended to read:

11 § 7361. Compulsory arbitration.

12 (a) General rule.--[Except as provided in subsection (b),
13 when] When prescribed by general rule or rule of court, such
14 civil matters or issues therein as shall be specified by [rule]
15 this section or by order of court shall first be submitted to
16 and heard by a board of three members [of the bar of the court.]
17 comprised of at least one member of the bar of the court and two
18 members who are experts in the field of the issue in controversy
19 who are not members of the bar of the Supreme Court of

1 Pennsylvania.

2 [(b) Limitations.--No matter shall be referred under
3 subsection (a):

4 (1) which involves title to real property; or

5 (2) where the amount in controversy, exclusive of
6 interest and costs, exceeds:

7 (i) \$50,000 in judicial districts embracing first,
8 second, second class A or third class counties or home
9 rule counties which but for the adoption of a home rule
10 charter would be a county of one of these classes; or

11 (ii) \$25,000 in any other judicial district.]

12 (b) Limitations.--The following matters shall be referred
13 under subsection (a) where the amount in controversy, exclusive
14 of interests and costs, is:

15 (1) \$50,000 or less in judicial districts embracing
16 counties of the first, second, second class A or third class
17 or home rule counties which but for the adoption of a home
18 rule charter would be a county of one of those classes; or

19 (2) \$25,000 or less in any other judicial district.

20 * * *

21 Section 2. Title 42 is amended by adding a section to read:

22 § 7361.1. Arbitration awards.

23 (a) Notice.--A panel of arbitrators shall make an award and
24 notify each party or the attorney for the party of its award in
25 writing 14 days after the arbitration hearing. After each party
26 receives notification of the award, each party shall have the
27 right of appeal provided in section 7361(d) (relating to
28 compulsory arbitration).

29 (b) Appeal of award.--

30 (1) If a party appeals an arbitration award for a trial

1 de novo, that party shall pay the opposing party's actual
2 costs and proven necessary expenses when the verdict is more
3 favorable to the defendant than the arbitration award. For
4 purposes of this section, an award shall include any
5 assessable court costs and proven necessary expenses in a
6 civil action but shall not include attorney fees.

7 (2) A verdict shall be deemed more favorable for a
8 plaintiff in the action if the plaintiff recovers more than
9 125% of the arbitration award.

10 (3) A verdict shall be deemed more favorable for the
11 defendant if the verdict is less than 75% of the arbitration
12 award.

13 (4) The actual costs shall include those at the
14 arbitration stage as well as at the court appeal.

15 Section 3. This act shall take effect in 60 days.