



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 34

PRINTERS NO. 1201

PRIME SPONSOR: Grell

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	See "Fiscal Impact" below.

SUMMARY: House Bill 34 amends the Judicial Code concerning Statutory Arbitration. It would take effect on January 1, 2016.

ANALYSIS: This legislation repeals Subchapter A of Chapter 73 of the Judicial Code, entitled "Statutory Arbitration," and replaces it with Subchapter A.1, also entitled "Statutory Arbitration." The old subchapter, which was also known as the PA Uniform Arbitration Act is being replaced with the Revised Uniform Arbitration Act as drafted by the National Conference of Commissioners on Uniform State Laws.

The new subchapter enacts much of the same content that was in the previous subchapter, but with extensive revisions. These revisions involve the following major provisions: applicability; waiver; validity of agreement to arbitrate; motion to compel or stay arbitration; provisional remedies; initiation of arbitration; consolidation of separate arbitration proceedings; appointment of arbitrator; service as a neutral arbitrator; disclosure by arbitrator; action by majority; immunity of arbitrator; competency to testify; attorney fees and cost; arbitration process; witnesses; subpoenas; depositions; discovery; arbitration award; remedies, fees and expenses of arbitration proceedings; confirmation of the award; vacating the award; modification or correction of the award; judgment on award; jurisdiction; venue; and appeals.

FISCAL IMPACT: The fiscal impact of this legislation arises from provisions allowing arbitrators to set their own fees, different from those mandated by the Pennsylvania Labor Relations Board (PLRB). Currently, the PLRB caps the fees charged by a neutral interest arbitrator at \$600 per day. House Bill 34 would allow arbitrators to set their own fees. According to the PLRB, it is common for experienced arbitrators to charge \$1,500 to \$2,000 per day. This could potentially triple the PLRB's arbitration expenses. Based on total arbitration costs provided by the PLRB, this could be an increase of approximately \$184,000 annually.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: April 15, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.