

AMENDED IN ASSEMBLY MAY 14, 2002

AMENDED IN ASSEMBLY APRIL 30, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2915

Introduced by Assembly Member Wayne

February 25, 2002

An act to add Section 1284.3 to the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

AB 2915, as amended, Wayne. Arbitration.

Existing law regulates the conduct of arbitration proceedings, providing for, among other things, the powers and duties of a neutral arbitrator or arbitrators, the appointment of times and places for hearings, the exchange of witness lists, and the right of representation by counsel.

This bill would prohibit a *neutral arbitrator or private judging arbitration* company from administering any consumer arbitration that requires a nonprevailing consumer who is a party to the arbitration to pay the opposing party's costs or fees. The bill would require a private *judging arbitration* company to waive the fees and costs of arbitration, exclusive of arbitrator fees, for an indigent consumer, as defined. The bill would also require a private *judging arbitration* company to provide written notice to any consumer of the right to obtain a fee waiver, as specified, and to keep specified information concerning a consumer confidential, *with certain exceptions*.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1284.3 is added to the Code of Civil
2 Procedure, to read:
3 1284.3. (a) ~~No private judging~~ *neutral arbitrator or private*
4 *arbitration* company shall administer a consumer arbitration
5 under any agreement or rule requiring that a consumer who is a
6 party to the arbitration pay the fees and costs incurred by an
7 opposing party if the consumer does not prevail in the arbitration,
8 including, but not limited to, the fees and costs of the arbitrator,
9 provider organization, attorney, or witnesses.

10 (b) (1) All fees and costs charged to *or assessed upon* a
11 consumer party by a ~~private judging~~ *arbitration* company in a
12 consumer arbitration, exclusive of arbitrator fees, shall be waived
13 for an indigent consumer. For the purposes of this section,
14 “indigent consumer” means a person having a gross monthly
15 income that is less than 300 percent of the federal poverty
16 guidelines.

17 (2) Prior to requesting or obtaining any fee, a ~~private judging~~
18 *arbitration* company shall provide written notice of the right to
19 obtain a waiver of fees to a consumer or prospective consumer in
20 a manner calculated to bring the matter to the attention of a
21 reasonable consumer, including, but not limited to, prominently
22 placing a notice in *its first written communication to the consumer*
23 *and in* any invoice, bill, submission form, fee schedule, rules, or
24 code of procedure.

25 (3) Any consumer requesting a waiver of fees or costs may
26 establish his or her eligibility by making a declaration under oath
27 *on a form provided to the consumer by the private arbitration*
28 *company for signature* stating that his or her monthly income does
29 not exceed 300 percent of the federal poverty guidelines. No
30 ~~private judging~~ *arbitration* company may require a consumer to
31 provide any further statement or evidence of indigence.

32 (4) Any information obtained by a ~~private judging~~ *arbitration*
33 company about a consumer’s *identity, financial condition,*
34 income, wealth, or fee waiver request shall be kept confidential
35 and may not be disclosed to any adverse party or any nonparty to



- 1 the arbitration, *except a private arbitration company may not keep*
- 2 *confidential the number of waiver requests received or granted, or*
- 3 *the total amount of fees waived.*

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