

AMENDED IN SENATE AUGUST 26, 2002

AMENDED IN SENATE AUGUST 13, 2002

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 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 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 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 neutral arbitrator or private arbitration
4 company shall administer a consumer arbitration under any
5 agreement or rule requiring that a consumer who is a party to the
6 arbitration pay the fees and costs incurred by an opposing party if
7 the consumer does not prevail in the arbitration, including, but not
8 limited to, the fees and costs of the arbitrator, provider
9 organization, attorney, or witnesses.

10 (b) (1) All fees and costs charged to or assessed upon a
11 consumer party by a private arbitration company in a consumer
12 arbitration, exclusive of arbitrator fees, shall be waived for an
13 indigent consumer. For the purposes of this section, “indigent
14 consumer” means a person having a gross monthly income that is
15 less than 300 percent of the federal poverty guidelines. *Nothing in*
16 *this section shall affect the ability of a private arbitration company*
17 *to shift fees that would otherwise be charged or assessed upon a*
18 *consumer party to a nonconsumer party.*

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

27 (3) Any consumer requesting a waiver of fees or costs may
28 establish his or her eligibility by making a declaration under oath
29 on a form provided to the consumer by the private arbitration
30 company for signature stating ~~that his or her monthly income does~~
31 ~~not exceed 300 percent of the federal poverty guidelines and the~~
32 ~~number of persons living in his or her household.~~ No private



1 arbitration company may require a consumer to provide any
2 further statement or evidence of indigence.

3 (4) Any information obtained by a private arbitration company
4 about a consumer's identity, financial condition, income, wealth,
5 or fee waiver request shall be kept confidential and may not be
6 disclosed to any adverse party or any nonparty to the arbitration,
7 except a private arbitration company may not keep confidential the
8 number of waiver requests received or granted, or the total amount
9 of fees waived.

10 (c) This section applies to all consumer arbitration agreements
11 subject to this article, and to all consumer arbitration proceedings
12 conducted in California.

