

ASSEMBLY BILL NO. 3—COMMITTEE ON JUDICIARY

(ON BEHALF OF THE NEVADA SUPREME COURT)

PREFILED SEPTEMBER 27, 2024

Referred to Committee on Judiciary

SUMMARY—Increases the monetary threshold for mandatory nonbinding arbitration in civil actions. (BDR 3-472)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to civil actions; increasing the monetary threshold for mandatory nonbinding arbitration in civil actions; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires, with certain exceptions, civil actions for damages that do
2 not exceed \$50,000 per plaintiff to be submitted to nonbinding arbitration. (NRS
3 38.250, 38.255) **Section 1** of this bill increases the monetary threshold for
4 mandatory nonbinding arbitration in civil actions to \$100,000 per plaintiff. **Section**
5 **2** of this bill makes a conforming change to reflect that the monetary threshold
6 for mandatory nonbinding arbitration is increased to \$100,000 per plaintiff by
7 **section 1**.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 38.250 is hereby amended to read as follows:
2 38.250 1. Except as otherwise provided in NRS 38.310:
3 (a) All civil actions filed in district court for damages, if the
4 cause of action arises in the State of Nevada and the amount in issue
5 does not exceed ~~[\$50,000]~~ **\$100,000** per plaintiff, exclusive of
6 attorney’s fees, interest and court costs, must be submitted to
7 nonbinding arbitration in accordance with the provisions of NRS
8 38.250 to 38.259, inclusive, unless the parties have agreed or are
9 otherwise required to submit the action to an alternative method of



1 resolving disputes established by the Supreme Court pursuant to
2 NRS 38.258, including, without limitation, a settlement conference,
3 mediation or a short trial.

4 (b) A civil action for damages filed in justice court may be
5 submitted to binding arbitration or to an alternative method of
6 resolving disputes, including, without limitation, a settlement
7 conference or mediation, if the parties agree to the submission.

8 2. An agreement entered into pursuant to this section must be:

9 (a) Entered into at the time of the dispute and not be a part of
10 any previous agreement between the parties;

11 (b) In writing; and

12 (c) Entered into knowingly and voluntarily.

13 ↪ An agreement entered into pursuant to this section that does not
14 comply with the requirements set forth in this subsection is void.

15 3. As used in this section, “short trial” means a trial that is
16 conducted, with the consent of the parties to the action, in
17 accordance with procedures designed to limit the length of the trial,
18 including, without limitation, restrictions on the amount of
19 discovery requested by each party, the use of a jury composed of not
20 more than eight persons and a specified limit on the amount of time
21 each party may use to present the party’s case.

22 **Sec. 2.** NRS 38.255 is hereby amended to read as follows:

23 38.255 1. The rules adopted by the Supreme Court pursuant
24 to NRS 38.253 to provide guidelines for the establishment by a
25 district court of a program must include provisions for a:

26 (a) Mandatory program for the arbitration of civil actions
27 pursuant to NRS 38.250.

28 (b) Voluntary program for the arbitration of civil actions if the
29 cause of action arises in the State of Nevada and the amount in issue
30 exceeds ~~[\$50,000]~~ \$100,000 per plaintiff, exclusive of attorney’s
31 fees, interest and court costs.

32 (c) Voluntary program for the use of binding arbitration in all
33 civil actions.

34 2. The rules must provide that the district court of any judicial
35 district whose population is 100,000 or more:

36 (a) Shall establish programs pursuant to paragraphs (a), (b) and
37 (c) of subsection 1.

38 (b) May set fees and charge parties for arbitration if the amount
39 in issue exceeds ~~[\$50,000]~~ \$100,000 per plaintiff, exclusive of
40 attorney’s fees, interest and court costs.

41 ↪ The rules may provide for similar programs for the other judicial
42 districts.

43 3. The rules must exclude the following from any program of
44 mandatory arbitration:



1 (a) Actions in which the amount in issue, excluding attorney's
2 fees, interest and court costs, is more than ~~[\$50,000]~~ **\$100,000** or
3 less than the maximum jurisdictional amounts specified in NRS
4 4.370 and 73.010;

5 (b) Class actions;

6 (c) Actions in equity;

7 (d) Actions concerning the title to real estate;

8 (e) Probate actions;

9 (f) Appeals from courts of limited jurisdiction;

10 (g) Actions for declaratory relief;

11 (h) Actions involving divorce or problems of domestic relations;

12 (i) Actions brought for relief based on any extraordinary writs;

13 (j) Actions for the judicial review of an administrative decision;

14 (k) Actions in which the parties, pursuant to a written agreement
15 executed before the accrual of the cause of action or pursuant to
16 rules adopted by the Supreme Court, have submitted the controversy
17 to arbitration or any other alternative method for resolving a dispute;

18 (l) Actions that present unusual circumstances that constitute
19 good cause for removal from the program;

20 (m) Actions in which any of the parties is incarcerated; and

21 (n) Actions submitted to mediation pursuant to rules adopted by
22 the Supreme Court.

23 4. The rules must include:

24 (a) Provisions for the payment of fees to an arbitrator who is
25 appointed to hear a case pursuant to the rules. The rules must
26 provide that an arbitrator must be compensated at a rate of \$100 per
27 hour, to a maximum of \$1,000 per case, unless otherwise authorized
28 by the arbitration commissioner for good cause shown.

29 (b) Guidelines for the award of attorney's fees and maximum
30 limitations on the costs to the parties of the arbitration.

31 (c) Disincentives to appeal.

32 (d) Provisions for trial upon the exercise by either party of the
33 party's right to a trial anew after the arbitration.



