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## Proposed Amendments to AB 100

Amend the bill by adding a new section amending Chapter 4 of NRS to read as follows:

Section 1 Chapter 4 of NRS is hereby amended by adding thereto a new section to read as follows:

1. On the commencement of any action or proceeding in the justice court in which the sum claimed exceeds \$7,500, and after the appearance of any defendant pursuant to paragraph (c) of subsection 1 of NRS 4.060:
  - (a) The justice of the peace in a county whose population is 100,000 or more shall; and
  - (b) The justice of the peace in a county whose population is less than 100,000 may;stay all further proceedings and order that the action or proceeding be submitted to mediation.
2. If a neighborhood justice center has been established pursuant to NRS 244.1607 within the county in which the action or proceeding has been commenced, the action or proceeding must be mediated through that center.
3. Within 60 days of the date of a stay entered by the court pursuant to subsection 1 the parties shall meet with the mediator and the mediator shall convene and conduct the mediation to attempt to resolve the case.
4. If the parties to the mediation do not reach agreement and are unable to resolve the case, the mediator shall notify the court of that fact and the court shall set the case for trial.

Renumber existing sections in AB 100 as sections 2, 3, and 4.

Amend the bill by adding a new section to read as follows:

Section 5. Section 1 expires by limitation on October 1, 2005.

C 10f3

ASSEMBLY/JUDICIARY

DATE: 2/22/03 ROOM 3138 EXHIBIT C

SUBMITTED BY: Judge Finley

## **Explanation/Justification for Proposed Amendments**

The effect(s) of an increase in the jurisdictional limit in justice courts from \$7,500 to \$10,000 can only be estimated at present. It is anticipated that, as a result, cases filed in the justice courts will increase at a time when Nevada's counties are facing serious financial constraints. For example, the Reno Justice Court is facing a potential 7% reduction in its budget for fiscal year 2003/2004. At the same time, with an increase in the jurisdictional limit and an increase in cases filed, a hiring freeze is in effect which, potentially, would affect the ability of court staff to file and process cases in a timely manner. Additionally, because justice courts, unlike district courts, do not have jury commissioners, it is unknown what effect the increase in jurisdictional limit would have on the ability of the justice courts to provide for potentially greater numbers of jury trials both in terms of facilities for juror use and for jury selection. To assist the justice courts in assessing the effect of the increase in the jurisdictional limit, it is proposed that, during the next biennium, all actions or proceedings in the justice court in which the sum claimed exceeds \$7,500 be initially processed through mediation. In doing so, two things would be accomplished. First, the justice courts (at least in counties with a population of 100,000 or more) would be able to compile accurate statistics on the number of cases involving a claim of \$7,500 or more which were filed with the courts as a result of the passage of AB 100. Those statistics could then be analyzed to determine the effect, significant or otherwise, on the justice courts as a result of the jurisdictional increase. Second, by mediating those cases, there would be a potential reduction in the number of cases actually pursued in the justice court thereafter with a resulting savings in time to the court's existing staff. At the end of the biennium, and pursuant to the recommended amendment to the bill contained in section 5, the mediation requirement would "sunset" unless justification for its continued existence was demonstrated by the courts. Mediation of cases in Clark County and Washoe County would be accomplished through the Neighborhood Justice Centers created pursuant to NRS 244.1607 which are funded already by persons filing actions in the justice court. Since litigants are already paying for the mediation service, it seems appropriate that litigants (and the courts) should avail themselves of the

service they are paying for. In calendar year 2002, for example, litigants paid a total of \$92,000 to support Washoe County's Neighborhood Justice Center and it does not appear that the addition of the cases referenced in the proposed amendment would over-burden the Neighborhood Justice Center financially. If such were to occur, NRS 244.1607 provides for the imposition of a fee by the board of county commissioners that could be charged for persons using the mediation services.