

Assembly Bill No. 3—Committee on Judiciary

CHAPTER.....

AN ACT relating to civil actions; revising provisions relating to alternate dispute resolution for certain civil actions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law requires, with certain exceptions, civil actions for damages that do not exceed \$50,000 per plaintiff to be submitted to nonbinding arbitration. (NRS 38.250, 38.255) **Section 1.5** of this bill increases the monetary threshold for mandatory nonbinding arbitration in civil actions to \$100,000 per plaintiff. **Section 2** of this bill makes a conforming change to reflect that the monetary threshold for mandatory nonbinding arbitration is increased to \$100,000 per plaintiff by **section 1.5**.

Existing law requires the Supreme Court to adopt rules to provide for the establishment of a program of arbitration, and such rules must include, for example: (1) provisions for the payment of fees to an arbitrator who is appointed to hear a case and who must be compensated at a rate of \$100 per hour, to a maximum of \$1,000 per case, unless otherwise authorized by the arbitration commissioner for good cause shown; (2) guidelines for the award of attorney's fees; and (3) exclusion of certain types of actions from the program, such as class actions, probate actions and actions involving domestic relations. (NRS 38.255) **Section 2** revises the requirements for the rules adopted by the Supreme Court to: (1) remove the existing limitations on the amount of compensation for an arbitrator and instead require the payment of both fees and costs to an arbitrator, which are generally subject to certain maximum limitations on compensation required to be established by the rules; (2) authorize an arbitrator to award to a prevailing party attorney's fees in an amount not to exceed \$15,000, as provided by specific statute or court rule, and costs and interest as provided by specific statute or court rule; and (3) exclude additional types of actions from the program.

Existing law provides that the Supreme Court may authorize the use of settlement conferences and other alternative methods of resolving disputes, including, without limitation, a short trial. If the Supreme Court authorizes the use of an alternative method of resolving disputes, the Supreme Court is required to adopt rules and procedures to govern the use of any such method. (NRS 38.258) **Section 3** of this bill provides that if the Supreme Court authorizes the use of a short trial, in addition to any other appropriate provisions, the rules and procedures governing a short trial must authorize the short trial judge to award to the prevailing party attorney's fees in an amount not to exceed \$15,000, as provided by specific statute or court rule.

Sections 1, 1.5 and 3 make a conforming change to apply the definition of the term "short trial" to the provisions of this bill.



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

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

Section 1. Chapter 38 of NRS is hereby amended by adding thereto a new section to read as follows:

As used in NRS 38.250 to 38.259, inclusive, unless the context otherwise requires, “short trial” means a trial that is conducted, with the consent of the parties to the action, in accordance with procedures designed to limit the length of the trial, including, without limitation, restrictions on the amount of discovery requested by each party, the use of a jury composed of not more than eight persons and a specified limit on the amount of time each party may use to present the party’s case.

Sec. 1.5. NRS 38.250 is hereby amended to read as follows:

38.250 1. Except as otherwise provided in NRS 38.310:

(a) All civil actions filed in district court for damages, if the cause of action arises in the State of Nevada and the amount in issue does not exceed ~~[\$50,000]~~ ***\$100,000*** per plaintiff, exclusive of attorney’s fees, interest and court costs, must be submitted to nonbinding arbitration in accordance with the provisions of NRS 38.250 to 38.259, inclusive, unless the parties have agreed or are otherwise required to submit the action to an alternative method of resolving disputes established by the Supreme Court pursuant to NRS 38.258, including, without limitation, a settlement conference, mediation or a short trial.

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

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

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

(b) In writing; and

(c) Entered into knowingly and voluntarily.

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

~~***[3. As used in this section, “short trial” means a trial that is conducted, with the consent of the parties to the action, in accordance with procedures designed to limit the length of the trial, including, without limitation, restrictions on the amount of discovery requested by each party, the use of a jury composed of not***~~



~~more than eight persons and a specified limit on the amount of time each party may use to present the party's case.]~~

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

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

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

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

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

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

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

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

➔ The rules may provide for similar programs for the other judicial districts.

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

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

(b) Class actions;

(c) Actions in equity;

(d) Actions concerning the title to real estate;

(e) Probate actions;

(f) Appeals from courts of limited jurisdiction;

(g) Actions for declaratory relief;

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

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

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

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



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

(m) Actions in which any of the parties is incarcerated; ~~{and}~~

(n) Actions submitted to mediation pursuant to rules adopted by the Supreme Court ~~{H}~~ ;

(o) Actions in which an insurer is alleged to have acted in bad faith regarding its obligations to provide insurance coverage and punitive damages are sought;

(p) Actions involving sexual assault or sexual battery; and

(q) Actions for product liability.

4. The rules must include:

(a) Provisions for the payment of fees *and costs* to an arbitrator who is appointed to hear a case pursuant to the rules. The rules must ~~{provide that}~~ *set maximum limitations on the compensation of* an arbitrator ~~{must be compensated at a rate of \$100 per hour, to a maximum of \$1,000 per case, unless otherwise authorized}~~ , *except that the limitations may be waived* by the arbitration *judge or arbitration* commissioner for good cause shown.

(b) Guidelines ~~{for the}~~ *authorizing an arbitrator to* award ~~{of attorney's}~~ *to the prevailing party:*

(1) Attorney's fees {and} in an amount not to exceed \$15,000, as provided by specific statute or court rule; and

(2) Costs and interest as provided by specific statute or court rule.

(c) Guidelines setting maximum limitations on the costs to the parties of the arbitration.

~~{(e)}~~ *(d)* Disincentives to appeal.

~~{(d)}~~ *(e)* Provisions for trial upon the exercise by either party of the party's right to a trial anew after the arbitration.

Sec. 3. NRS 38.258 is hereby amended to read as follows:

38.258 1. The Supreme Court may authorize the use of settlement conferences and other alternative methods of resolving disputes, including, without limitation, mediation and a short trial, that are available in the county in which a district court is located:

(a) In lieu of submitting an action to nonbinding arbitration pursuant to NRS 38.250; or

(b) During or following such nonbinding arbitration if the parties agree that the use of any such alternative methods of resolving disputes would assist in the resolution of the dispute.

2. If the Supreme Court authorizes the use of an alternative method of resolving disputes pursuant to subsection 1, the Supreme Court shall adopt rules and procedures to govern the use of any such method.



3. ~~[As used in this section, “short trial” has the meaning ascribed to it in NRS 38.250.]~~ *If the Supreme Court authorizes the use of a short trial pursuant to this section, in addition to any other appropriate provisions, the rules and procedures governing a short trial must authorize the short trial judge to award to the prevailing party attorney’s fees in an amount not to exceed \$15,000, as provided by specific statute or court rule.*

Sec. 4. (Deleted by amendment.)

Sec. 5. The amendatory provisions of this act apply to civil actions filed on or after January 1, 2026.

Sec. 6. 1. This section becomes effective upon passage and approval.

2. Sections 1 to 5, inclusive, of this act become effective:

(a) Upon passage and approval for the purpose of adopting any rules and performing any other preparatory administrative tasks that are necessary to carry out the provisions of this act; and

(b) On January 1, 2026, for all other purposes.



