

HB 928 -- ARBITRATION AGREEMENTS

SPONSOR: Corlew

COMMITTEE ACTIONS: Voted "Do Pass" by the Standing Committee on Workforce Standards and Development by a vote of 8 to 3. Voted "Do Pass" by the Select Committee on Labor and Industrial Relations by a vote of 5 to 2.

The bill specifies that in arbitration agreements between an employer and an at-will employee, the arbitrator and not the court must make all initial decisions as to arbitrability, including deciding whether the parties have agreed to arbitrate, whether the arbitration agreement is enforceable, and whether specific claims are arbitrable. The bill establishes certain criteria for when the arbitrator must determine that the arbitration agreement is valid. On motion by a party showing an arbitration agreement between an employer and an at-will employee that does not expressly delegate the issue of arbitrability to the court, the court must stay any action before the court and order the parties to proceed to arbitration.

PROPOSERS: Arbitration is judicially efficient and cost-saving. Arbitration clauses in employment contracts are important tools for MO employers to provide reliability and cost savings. There are benefits for both employers and employees: streamlined discovery; same remedies; helps to relieve over-burdened court system; and scheduling based on parties' & arbitrator's availability, not court's;

Testifying for the bill were Representative Corlew; Missouri Chamber of Commerce and Industry; Janet Mark, Hallmark Cards, Inc.; Associated Industries of Missouri; Susan Henderson Moore, JE Dunn; and Fred Dreiling, Burns & McDonnell.

OPPOSERS: This is forced arbitration, and that is distinctively different than regular arbitration. This bill throws out decades of fundamental contract principles and imposes unfair arbitration clauses on weaker the party to a contract, such as the employee.

Testifying against the bill were Amy Coopman, Kansas City National Employment Association; Jonathan Berns, National Employment Lawyers Association-St. Louis and Missouri Association of Trial Attorneys; and Missouri National Education Association