



**House
Legislative
Analysis
Section**

Washington Square Building Suite 1025
Lansing, Michigan 48909
Phone: 517/373-6466

COMMUNITY DISPUTE RESOLUTION

Senate Bill 816 as passed the Senate
First Analysis (6-16-88)

RECEIVED

Sponsor: Senator Rudy J. Nichols

Senate Committee: Judiciary

House Committee: Judiciary

AUG 04 1988

Mich. State Law Library

THE APPARENT PROBLEM:

A well-regarded but still fairly new method of resolving relatively minor disputes outside of the courtroom is through mediation offered at local community centers and commonly using trained volunteers. While several programs have made successful beginnings, among them programs in Grand Rapids and Ann Arbor, for long term stability and success these programs need a steady and reliable source of funds. It has been suggested that the state establish a program that will provide matching funds to local programs that meet standards of capability, organization and community support.

THE CONTENT OF THE BILL:

The bill would amend the Revised Judicature Act to raise circuit and district court filing fees by two dollars and to allocate the increases to the Community Dispute Resolution Fund to be created by House Bill 4823. After January 1, 1993 fees would revert to their current levels and the allocations would no longer be made to the dispute resolution fund. The bill would take effect 120 days after its enactment, but could not take effect unless House Bill 4823, which would create the Community Dispute Resolution Act, was enacted.

MCL 600.2528 et al

FISCAL IMPLICATIONS:

The State Court Administrative Office estimated that revenues under a virtually identical House Bill, House Bill 4824, would have been about \$750,000, based on 1986 figures, and that administrative costs for the program would be about \$60,000 per year. (10-6-87)

ARGUMENTS:

For:

Community dispute resolution centers provide an option for disagreeing parties for whom formal litigation is unnecessary or inappropriate. Voluntary participation with an emphasis on finding solutions where nobody "loses" contributes to the success such programs have with landlord-tenant disputes, arguments between neighbors, small claims matters, and personal disputes. Local courts are relieved of additional burdens to their dockets, and disputants benefit from the personal attention and mutually acceptable solutions provided through the community centers, which stress conciliation rather than confrontation. The public benefits of alternative dispute resolution were recognized by the Citizens Commission to Improve Michigan Courts, which recommended that the supreme court direct courts to cooperate with local organizations that provide dispute resolution.

The public interest in encouraging the formation and operation of community dispute resolution centers warrants supporting those centers with the aid of a nominal increase in court fees. Allocation of court fees is particularly appropriate, given the potential such programs have to reduce burdens on courts.

Against:

The fragmentation of court fees, where different portions of fees are allocated for different purposes, is a matter of long standing concern within the judiciary. There is at present an ad-hoc committee of the House examining the problems and issues of court funding. It may be inappropriate to raise fees and earmark the increases at this time.

POSITIONS:

The Michigan Judges Association supports the concept of the community dispute resolution program but has concerns about court fees being used for noncourt purposes. (6-15-88)

S.B. 816 (6-16-88)

HOUSE LEGISLATIVE ANALYSIS SECTION

Senate Bill 816

Analysis 2nd (9.6.88)

See HB 4823