

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: SB227S1

Patron: Surovell

Bill Title: Arbitration; high-volume arbitration service providers; selection of arbitrator; civil remedies.

Bill Summary: Requires a high-volume arbitration service provider, defined in the bill as a person or entity that administers, facilitates, or provides arbitration services in the Commonwealth and that conducts more than 500 arbitrations involving any transaction, agreement, or dispute that arises out of, relates to, or is otherwise connected with activities, relationships, or events occurring within the Commonwealth, to establish and maintain certain procedures related to the selection of an arbitrator. The bill requires a high-volume arbitration service provider to provide to parties who are unable to agree upon an arbitrator an acceptable impartial system for arbitrator selection. Under the bill, a party aggrieved by a high-volume arbitration service provider that has failed to comply with such requirements may seek injunctive relief or other appropriate civil remedy or make an application with a circuit court to vacate an arbitration award in accordance with current law. The bill also requires all high-volume arbitration service providers to report information related to certain arbitrations annually with the State Corporation Commission and permits the Commission to impose a \$10,000 civil penalty per violation on high-volume arbitration service providers who fail to comply with the provisions of the bill. Finally, the bill provides that these provisions shall apply to arbitration agreements entered into on or after July 1, 2026.

Budget Amendment Necessary: No

Items Impacted: None

Explanation: There is no anticipated fiscal impact from the bill.

Fiscal Summary: According to the Office of the Executive Secretary (OES) of the Supreme Court of Virginia, there is no anticipated fiscal impact from the bill.

Fiscal Analysis: Any unanticipated costs that may arise from the bill are expected to be absorbable with existing resources.

Other: None