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

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Bill Number: SB227ER **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 service provider that conducts more than 100 arbitrations per calendar year that arise from a pre-dispute arbitration agreement involving a Virginia-connected transaction. . The bill requires a high-volume arbitration service provider to establish and maintain procedures that provide parties in any arbitration agreement pursuant to a pre-dispute arbitration agreement with (i) a meaningful opportunity to agree upon an arbitrator and (ii) for cases where an agreement upon an arbitrator cannot be reached, an impartial system for arbitrator selection that ensures that (a) each party has an equal voice in the selection process, (b) neither party may unilaterally impose an arbitrator upon the other party, and (c) the selection process is transparent and fair to all parties. 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.