

CREATE BUSINESS COURT

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House Bill 5128 (Proposed H-2 Substitute)

Sponsor: Rep. John Walsh

Committee: Judiciary

Complete to 5-30-12

A SUMMARY OF HOUSE BILL 5128 (PROPOSED H-2 SUBSTITUTE)

House Bill 5128 would require that every circuit court with three or more circuit judges have a business court. This court would have jurisdiction over cases that involve business or commercial disputes, including disputes where the amount in controversy exceeds \$25,000. The disputes in these cases would include the following:

- Disputes between business enterprises.
- Disputes between business enterprises and present or former employers, shareholders, customers, or competitors.
- Disputes regarding the organization, governance, or finances of nonprofit organizations.

Certain cases are explicitly excluded from business court operations. This includes personal injury actions, product liability actions, family court cases, probate court cases, criminal matters, condemnation matters, lower court appeals, landlord-tenant matters, mortgage foreclosure matters, insurance coverage, civil rights, and employment discrimination.

Judges would be assigned to the business court in proportion to that circuit court's business caseload, assigned by the Supreme Court. The term for a business court judge is six years and a judge may be reassigned at the expiration of the judge's term. If a judge leaves office at any time during a term, a new judge may be assigned for the remainder of the judge's term on the business court. If a concurrent jurisdiction plan is adopted in a circuit, a probate or district judge may be assigned to the business court.

Among other things, the bill requires the following of business courts:

- Actions begun in business courts should be electronically filed, and the court should meet minimum standards as determined by the State Court Administrative Office. These standards may include electronic filing, video conferencing, and alternative dispute resolution.
- An appeal from a business court shall be to the Court of Appeals.
- The Michigan Judicial Institute shall provide appropriate training for judges serving as business court judges.

- Fees payable in circuit court civil actions apply to cases in business court, unless otherwise provided by law.

FISCAL IMPACT:

House Bill 5128 would have an indeterminate fiscal impact on the State, as well as local courts. The bill creates a new division of the circuit courts, and would likely reduce the overall caseload of the non-business courts as cases that were previously processed in circuit courts move to business courts. Costs to the Michigan Judicial Institute (a portion of the State's current Judiciary budget) would increase by an indeterminate amount as well, in order to provide training for business court judges.

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.