

CONCURRENCE IN SENATE AMENDMENTS
CSA1 Bill Id:AB 1523 Author:(Committee on Judiciary)
As Amended Ver:August 25, 2025
Majority vote

SUMMARY

Increases the amount in controversy limit for court ordered mediation in civil actions to \$75,000 and adopts procedural guidelines regarding when a matter can be referred to mediation.

Major Provisions

- 1) Prohibits a court from ordering a civil action into mediation unless all of the following conditions are met:
 - a) The amount in controversy does not exceed seventy five thousand dollars (\$75,000), as specified;
 - b) The case has been set for trial;
 - c) At least one party has notified the court of its interest in mediation; and
 - d) The parties have been notified of their option to stipulate to a mutually agreeable mediator;
 - e) The parties have the ability to mediate through the use of remote technology upon the stipulation of all parties.
- 2) Requires, if the parties do not stipulate to a mutually agreeable mediator within 15 days of the date the case is submitted to mediation, the court to select a mediator in accordance with the standards adopted by the Judicial Council of California.
- 3) Requires parties, counsel, and other specified stakeholders involved in the mediation to comply with the attendance requirements set forth in the California Rules of Court.
- 4) Requires any mediation mandated in 1), above, to conclude, with or without an agreement or proposed settlement, no later than 120 days before the trial date.
- 5) Requires that the determination and any stipulation of the amount in controversy is to be without prejudice as to any finding on the value of the case in a subsequent trial.

Senate Amendments

- 1) *Clarify that the means of conducting a remote mediation is subject to stipulation of the parties.*
- 2) *Delay the implementation of the bill until January 1, 2027.*

COMMENTS

For 30 years, California's civil courts have had the ability to direct some civil actions to mediation before a case proceeds to trial. The mediation process is designed to force all of the

parties to a civil action to work with a trained mediator to see if a mutually agreeable solution to the dispute can be reached. When all of the parties to a matter are open to mediation, the process can be successful. However, given the potentially contentious nature of litigation, frequently, the parties are not prepared to amicably resolve their differences, especially if mediation is ordered before all discovery has been conducted and if other procedural disputes are still playing out. In cases in which the parties are not amenable to mediation, the process simply serves as a waste of time and money that delays the inevitable trial.

Unfortunately, outside of a twenty-plus year old study, there is little information outlining the success or failure rates for mediation in California's civil justice system. While the Judicial Council of California tracks when civil cases are disposed of, and reports that 80% of unlimited cases in recent years were disposed of before trial, the Council does not specify how pretrial resolutions were reached. (*2024 Court Statistics Report*, Judicial Council of California (2024) at p. 51.) Accordingly, the 80% of cases resolved before trial may have been settled without mediation, dismissed for lack of evidence, or otherwise resolved. Nonetheless, as a result of the increased amount in controversy for unlimited civil matters adopted in SB 71 (Umberg, Chap. 861, Stats. 2023), fewer civil cases are presently eligible for mediation, thus increasing pressure on civil department calendars across the state.

Just about every stakeholder involved in both this bill agree that when conducted in the proper circumstances, mediation can streamline litigation and produce resolutions amenable to all litigants. However, building on 30-years' of lived experience in the trenches of California's civil litigation system, some litigators note that the existing mediation system can deny vulnerable clients their day in court, especially when judges order matters into litigation driven more by the need to manage burdensome civil court calendars than to seek a meaningful resolution of the matter.

One example shared by several stakeholders does a particularly good job of highlighting the flaws with the current system. In that case, a woman of color was subjected to rampant workplace sexual and racial harassment. Due to the intersectional nature of the harassment, expert witnesses on the topic were needed, causing inevitable discovery disputes regarding the actual expertise of the witnesses. Nonetheless, the case was forced into mediation without a full resolution of the discovery issues. Compounding the problem was the difficulty both parties had in finding a mediator skilled in labor issues that could quickly facilitate the dispute resolution. As a result of the delays caused by the basic scheduling difficulties, the proposed trial date was delayed. When the mediation failed, due in no small part to the ongoing evidentiary dispute, the case was forced to trial. The delayed trial date not only denied the victim her timely day in court, but exacerbated attorney costs and fees for all parties as the attorneys were forced to prepare for a mediation that appeared doomed to fail from the start, and then expend additional time and resources on a trial that most objective observers would have seen as inevitable.

This bill recognizes that following the increase in the amount in controversy level for unlimited civil cases, following the passage of SB 71, an increase in the mandatory mediation amount in controversy is merited. Accordingly, this bill increases the amount in controversy threshold to \$75,000, the same amount in controversy threshold for removing a case from state court entirely through federal diversity jurisdiction. Additionally, recognizing the above described flaws in the existing mandatory mediation process, this bill adopts several new safeguards designed to protect the rights of litigants. These safeguards include the following:

- 1) The case must be set for trial. This lessens the potential for a mediation to fail as the result of it occurring too early in the litigation process;
- 2) At least one party must express an interest in mediating the matter. This provision ensures that cases in which neither side believes a non-litigated resolution is possible is not pointlessly submitted to mediation that is doomed to fail;
- 3) There are no ongoing discovery disputes remaining in the matter. This provision ensures that the mediator can assess the full scope of admissible evidence in a case and prevents any party from rejecting a mediated proposal in the hopes of prevailing in a subsequent discovery fight;
- 4) The mediation must be attended by persons with the ability to approve settlements, including insurance adjusters and other similarly situated parties. This provision ensures that mediations that do reach an amicable agreement are not nonetheless unsuccessful due to the lack of participation by a critical player in the case;
- 5) Mediation must cease, with or without a resolution, 120 days prior to a trial date. This ensures that mediation cannot delay a trial; and
- 6) The mediation amount in controversy is separated from the finding of the value of the case. This ensures that a mediation determination does not undermine any ultimate financial decisions made in a matter.

Finally, the bill authorizes the use of remote technology in the mediation so long as all of the parties to the matter mutually agree to conduct the proceeding remotely.

According to the Author

AB 1523 raises the amount in controversy level for referring civil disputes to mediation from \$50,000 or less to \$75,000 or less. Given that the existing amount in controversy level has not been increased in decades, this straightforward bill will permit courts to direct more litigants to mediation. This bill also recognizes many of the flaws in the existing mediation system and adopts safeguards to the existing law to ensure that only cases with a legitimate chance of being resolved are sent to mediation, thus avoiding unnecessary expense and delay for litigants.

Arguments in Support

The bill is supported, if amended, by the Los Angeles County Superior Court. They write:

The Superior Court of Los Angeles County (Court) has a support if amended position on AB 1523 – Court-ordered mediation, which would increase the amount in controversy threshold for court-ordered mediation from \$50,000 to \$75,000. While we appreciate the Committee's recognition that the monetary thresholds for court-ordered mediation should be updated, as written, this measure imposes new restrictions that may unintentionally reduce the number of eligible cases. To have a more positive and meaningful impact, we recommend increasing the threshold further to ensure that more cases, not fewer, can benefit from court-ordered mediation without additional limitations.

Arguments in Opposition

None on file.

FISCAL COMMENTS

None

VOTES:**ASM JUDICIARY: 12-0-0**

YES: Kalra, Dixon, Bauer-Kahan, Bryan, Connolly, Harabedian, Macedo, Pacheco, Papan, Sanchez, Stefani, Zbur

ASSEMBLY FLOOR: 74-0-5

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

ABS, ABST OR NV: Dixon, Ellis, Flora, Jeff Gonzalez, Papan

SENATE FLOOR: 40-0-0

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

UPDATED

VERSION: August 25, 2025

CONSULTANT: Nicholas Liedtke / JUD. / (916) 319-2334

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