

House Bill 1018

By: Representatives Hill of the 81st, Jordan of the 83rd, Thomas of the 43rd, Post 1, Dodson of the 84th, Post 1, Fludd of the 48th, Post 4, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Part 1 of Article 1 of Chapter 9 of Title 9 of the Official Code of Georgia
2 Annotated, the "Georgia Arbitration Code," so as to provide for the applicability of such part;
3 to provide that the laws of this state shall apply to any arbitration agreement contained in a
4 home builder's warranty; to provide for requirements of notification of the arbitration
5 procedures in certain instances; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Part 1 of Article 1 of Chapter 9 of Title 9 of the Official Code of Georgia Annotated, the
9 "Georgia Arbitration Code," is amended in Code Section 9-9-2, relating to the applicability
10 of such part and provision of an exclusive method, by striking the period at the end of
11 paragraph (10) of subsection (c) and inserting in lieu thereof the symbol and word "; and"
12 and by inserting immediately following such paragraph the following:

13 "(11) Any contract for the purchase of a new home except for those items of damage
14 covered by the home builder's warranty."

15 **SECTION 2.**

16 Said part is further amended by inserting immediately following Code Section 9-9-3 a new
17 Code section to read as follows:

18 "9-9-3.1.

19 (a) The provisions of this Code section shall apply to contracts to purchase a new home
20 in this state.

21 (b) This part shall provide the exclusive means by which agreements to arbitrate can be
22 enforced with regard to home builders' warranty agreements, and any arbitration agreement
23 contained in any such warranty shall be governed by this part. The laws of this state shall
24 govern any such warranty.

1 (c) At the time a home purchaser is given the option to elect binding arbitration under a
2 home builder's warranty, the following information shall be disclosed to him or her in clear
3 written language:

- 4 (1) The costs associated with arbitration, including the costs of appeal;
- 5 (2) A statement that the homeowner is entitled to legal representation in the arbitration
6 process;
- 7 (3) A statement of the necessity of entering an arbitration award and the time limits and
8 procedures involved in doing so;
- 9 (4) An explanation of the procedure for appealing an arbitration award; and
- 10 (5) A statement that any claims against the home builder not covered by the home
11 builder's warranty is not subject to binding arbitration and may be pursued in court."

12 **SECTION 3.**

13 All laws and parts of laws in conflict with this Act are repealed.