

Assembly Bill 3 Proposes to Raise Jurisdictional Cap on Nevada Diversion Program

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Jurisdictional changes may be coming to Nevada's court annexed non-binding arbitration program, which currently involves most civil cases where the amount in controversy is \$50,000 or less. Nevada's courts have proposed [AB 3](#), which is currently before the Assembly's judiciary committee. This bill would change the NRS 38.310(1)(a) jurisdictional cap for that program from \$50,000 to \$100,000, effective for cases filed on or after January 1, 2026. The arbitration program was created in 1992 with an original cap of \$25,000. That cap was increased to \$40,000 in 1995 and raised to \$50,000 in 2005. The Bureau of Labor Statistics Consumer Price Index Inflation Calculator estimates that the buying power of \$50,000 in February 2005 equates to approximately \$83,000 of buying power in January 2025.

Proponents of AB 3 testified at a committee hearing that the percentage of civil cases entering the program has dropped by nearly 20% in recent years due to inflationary pressures negatively impacting medical bills, property damage repairs, and other types of damages. If fewer cases enter the program, the caseload for the district courts increases. Proponents assert that by increasing the cap to \$100,000, the number of cases entering the program should return to historical averages.

AB 3 generally appears to benefit defense clients. The arbitration program was expressly designed to streamline discovery and reduce litigation costs, allowing lower-value disputes to be litigated on their merits. Raising the jurisdictional cap to \$100,000 would benefit litigants by enabling more cases to enter the program. Another benefit of program participation is that principal damages are capped at the jurisdictional maximum.

At a [committee hearing](#) on February 17, several attorneys testified in support of AB 3, but there was no participation from broker or carrier lobbying groups. Notably, the plaintiff-oriented Nevada Justice Association (NJA) testified that while it presently opposes AB 3, it is willing to work with the bill's proponents to reach a compromise. However, the NJA did not hint regarding what it may want in return for supporting AB 3.

The judiciary committee did not vote on AB 3 at the February 17 hearing but is expected to continue consideration of AB 3.

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