1 H. B. 2938 2 3 (By Delegates Ashley, Ellem, Miley, Westfall, Lawrence, McCuskey, Poore, Householder, Hunt, Manchin and Lane) 4 5 [Introduced March 14, 2013; referred to the 6 7 Committee on the Judiciary.] 8 9 10 A BILL to amend the Code of West Virginia, 1931, as amended, by 11 adding thereto a new section, designated §51-7-1a, relating to 12 the establishment of ethical standards for court reporters and entities that provide court reporting services; oversight 13 14 administration; and sanctions and penalties. 15 Be it enacted by the Legislature of West Virginia: 16 That the Code of West Virginia, 1931, as amended, be amended 17 by adding thereto a new section, designated §51-7-1a, to read as 18 follows: 19 ARTICLE 7. OFFICIAL REPORTERS. 20 §51-7-1a. Ethical standards for court reporters. 21 (a) The purpose of this legislation is to ensure the integrity 22 of the record by establishing ethical standards for court reporters 23 and entities that provide court reporting services. Court 24 reporters serve as officers of the court and both the appearance 25 and the existence of impartiality are no less important for

- 1 officers who report legal proceedings than they are for the
- 2 judicial officers and other persons whose responsibilities are
- 3 integral to the fair and impartial administration of justice.
- 4 (b) The provisions described in this section apply to court
- 5 reporting services performed in this state that are:
- 6 (1) Provided by a court reporter, business, entity or firm,
- 7 wherever based, in connection with a court or other legal
- 8 proceeding commenced or maintained in this state;
- 9 (2) Provided by a court reporter, business, entity or firm
- 10 based in this state in connection with a court or other legal
- 11 proceeding that is commenced or maintained in a foreign
- 12 jurisdiction; and
- 13 (3) Provided by a court reporter, business, entity or firm
- 14 based in this state whether the parties appear in person or by
- 15 remote means.
- 16 (c) Court reporters, businesses, entities or firms providing
- 17 or arranging for court reporting services are subject to the
- 18 provisions of this section even if the businesses, entities or
- 19 firms are not subject to registration or other regulatory oversight
- 20 in the state.
- 21 (d) A legal proceeding may not be reported by:
- 22 (1) An individual court reporter or court reporter associated
- 23 with a business, entity or firm with a contractual relationship
- 24 with a party or an attorney, representative, agent or insurer of a

- 1 party;
- 2 (2) An individual who engages in a prohibited action as
- 3 defined in subsection (f) of this section;
- 4 (3) A party to the action;
- 5 (4) A relative, employee or attorney of one of the parties;
- 6 (5) Someone with a financial interest in the action or its
- 7 <u>outcome</u>; or
- 8 (6) A relative, employee or attorney of someone with a
- 9 financial interest in the action or its outcome.
- 10 (e) A legal proceeding includes, but is not limited to, the
- 11 following:
- 12 (1) A court proceeding;
- 13 (2) A deposition;
- 14 (3) An administrative hearing;
- 15 (4) An arbitration hearing;
- 16 (5) Examinations under oath; and
- 17 <u>(6) Sworn statements.</u>
- 18 (f) In order to preserve the court reporter's impartiality,
- 19 court reporters or businesses, entities or firms that provide or
- 20 arrange for court reporting services may not engage in any of the
- 21 following:
- 22 (1) Enter into an oral or written contractual agreement for
- 23 more than one case, action, or proceeding with an attorney, party
- 24 to an action, insurance company, third-party administrator or

- 1 other person or entity that has a financial interest in the case,
- 2 action, or proceeding.
- 3 (2) Give an economic or other advantage to a party, a party's
- 4 attorney, representative, agent, insurer or employee without
- 5 offering it to all parties. This includes failing to offer
- 6 comparable services, including price or credit terms, to all
- 7 parties or otherwise requiring the court reporter or entity
- 8 providing court reporting services to provide financial terms or
- 9 other services that are not offered at the same time and on the
- 10 same terms to all other parties in the legal proceeding. Different
- 11 credit terms can be offered based on payment experience and credit
- 12 worthiness.
- 13 (3) Base the compensation for the court reporting services on
- 14 the outcome of the proceeding or otherwise giving the court
- 15 reporter or court reporting business, entity or firm a financial
- 16 interest in the action. Court reporters or businesses, entities or
- 17 firms providing or arranging for court reporting services may not
- 18 offer or provide court reporting services where payment for those
- 19 services will be made contingent on the outcome of the action.
- 20 (4) Enter into an agreement for court reporting services that
- 21 restricts the noticing attorney from using the court reporter or
- 22 entity providing court reporting services of the attorney's
- 23 choosing including a court reporter or business, entity or firm
- 24 providing or arranging for court reporter services on any list of

- 1 preferred providers of court reporting services that is maintained
- 2 by a person, business, entity or firm that has entered into an oral
- 3 or written contractual agreement for more than one case, action or
- 4 proceeding with an attorney, party to an action, insurance company,
- 5 third-party administrator or other person or entity that has a
- 6 financial interest in the case, action, or proceeding.
- 7 (5) Allow the format, content or body of the transcript as
- 8 submitted by the court reporter to be manipulated in a manner that
- 9 increases the cost of the transcript.
- 10 (g) (1) At any time during or following the conclusion of a
- 11 legal proceeding, an attorney or a party to that proceeding has the
- 12 right to an itemized statement of all rates and charges for all
- 13 services that have been or will be provided by the court reporter
- 14 or business, entity or firm providing or arranging for court
- 15 reporting services to any party to the litigation.
- 16 (2) Information on prices, terms and conditions shall be made
- 17 available in sufficient time prior to the commencement of the
- 18 proceeding which will allow all parties to have the opportunity to
- 19 effectively negotiate for any changes necessary to ensure that
- 20 comparable terms and conditions will be made available to all
- 21 parties.
- 22 (3) Upon request, the West Virginia Court Reporters
- 23 Association shall also be provided with an itemized invoice of all
- 24 rates and charges for services that have been provided.

- 1 (4) In order to prevent the shifting of costs from one party
- 2 to another party, the page rate charged for a copy of the
- 3 transcript may not exceed fifty percent of the page rate charged
- 4 for the original transcript of the legal proceeding.
- 5 (h) The provisions of this legislation may not be waived by
- 6 disclosure, agreement, stipulation or any other means for any
- 7 reason.
- 8 (i) Governmental entities may, if required by law, obtain
- 9 court reporting services on a long-term basis through competitive
- 10 bidding.
- 11 (j) Penalties for violations of these provisions include any
- 12 or all of the following:
- 13 (1) The transcript of the legal proceeding shall be deemed
- 14 void and ineligible for admission into a court or for use or
- 15 submission in any legal or administrative proceeding; and
- 16 (2) A court reporter, business, entity or firm that provides
- 17 or arranges for court reporting services which willfully violate
- 18 these prohibitions is subject to a fine or sanction as follows:
- 19 (A) The fine for a first offense shall be no less than \$5,000.
- 20 (B) The fine for each subsequent violation shall be increased
- 21 by an additional \$2,500 per violation.
- 22 (C) Fines or sanctions shall be administered by the West
- 23 Virginia Court Reporters Association which shall also have
- 24 jurisdiction over businesses, entities or firms that provide or

- 1 arrange for court reporting services that violate these
- 2 prohibitions even if such businesses, entities or firms are not
- 3 subject to registration or other regulatory oversight in the state.
- 4 (3) The court reporter or business, entity or firm providing
- 5 or arranging for court reporter services is subject to disciplinary
- 6 proceedings before the West Virginia Court Reporters Association.
- 7 Potential penalties include, but are not limited to, suspension or
- 8 revocation of the license, registration, or certificate of the firm
- 9 and/or the court reporter, business, entity or firm. If businesses,
- 10 entities or firms providing or arranging court reporting services
- 11 are not subject to registration or other regulatory oversight in
- 12 the state, they may still be suspended or barred from doing
- 13 business for violating the provisions of this legislation.
- 14 (4) The West Virginia Court Reporters Association has the
- 15 jurisdiction and authority to administer the penalty provisions of
- 16 this section and otherwise enforce this legislation.
- 17 (k) If the complaint is against a local court reporter,
- 18 business, entity or firm in connection with a court or other legal
- 19 proceeding pending in a foreign jurisdiction, the complaint may be
- 20 filed with the Attorney General or other appropriate governmental
- 21 authority in this state.
- 22 (1) Complaints alleging violation of these provisions may be
- 23 filed by any person with knowledge of the offense or by the West
- 24 Virginia Court Reporters Association or Attorney General on its own

- 1 initiative.
- 2 (m) The West Virginia Court Reporters Association shall
- 3 publicly disclose the final action taken and also issue periodic
- 4 reports indicating the number and nature of complaints received and
- 5 the disposition thereof.
- 6 (n) This legislation is applicable to all court reporters and
- 7 to businesses, entities or firms that provide or arrange for court
- 8 reporting services provided on or after July 1, 2013.

NOTE: The purpose of this bill is to codify ethical standards for court reporters and entities providing court reporter services, to provide for its administration and to establish penalties and sanctions for violations.

This section is new; therefore, it has been completely underscored.