

STAND. COM. REP. NO.

1570

Honolulu, Hawaii

April 4

, 2017

RE: S.B. No. 314

S.D. 1

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 314, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ARBITRATION,"

begs leave to report as follows:

The purpose of this measure is to ensure that parties to arbitration proceedings are timely informed of known facts that may affect the impartiality of the arbitrator.

Specifically, this measure clarifies an arbitrator's duty to disclose to the parties:

- (1) Any financial or personal interest in the outcome of the proceeding which is direct and material; and
- (2) Any existing or past relationship with any of the parties, their counsel, a witness, or another arbitrator which is substantial.

Additionally, rather than statutorily providing that an arbitrator's failure to so disclose is presumed to constitute evident partiality, this measure leaves the determination of evident partiality to the courts.

SB314 HD1 HSCR JUD HMS 2017-3397



Kobayashi, Sugita & Goda, LLP and several individuals testified in support of this measure. Alston Hunt Floyd & Ing opposed this measure.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for clarity.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 314, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 314, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary,



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SCOTT Y. NISHIMOTO, Chair



