

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.



STAND. COM. REP. NO. 1570 Page 2

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,

SCOTT Y. NISHIMOTO, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature HSCR 1570

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB 314 SD1	Committee Referral: JMD		Date: 03/29/2017	
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: □ Pass, unamended (as is) Pass, with amendments (HD) □ Hold □ Pass short form bill with HP to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. NISHIMOTO, Scott Y. (C)				
2. SAN BUENAVENTURA, Joy A.	. (VC)			
3. BELATTI, Della Au			- , :	
4. BROWER, Tom				
5. JOHANSON, Aaron Ling				
6. LEE, Chris	/			
7. MORIKAWA, Dee				
8. NAKASHIMA, Mark M.				
9. OSHIRO, Marcus R.				
10. McDERMOTT, Bob				
11. THIELEN, Cynthia				
· · · · · · · · · · · · · · · · · · ·				
TOTAL (11)	9			2
The recommendation is: Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				