



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 11, 2017

GOV. MSG. NO. 1301

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 11, 2017, the following bill was signed into law:

SB314 SD1 HD1 CD1

RELATING TO ARBITRATION
ACT 187 (17)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO ARBITRATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Section 658A-12, Hawaii Revised Statutes, is amended to read as follows:

"[+]§658A-12[+] Disclosure by arbitrator. (a) Before accepting appointment, an individual who is requested to serve as an arbitrator, after making a reasonable inquiry, shall disclose to all parties to the agreement to arbitrate and arbitration proceeding and to any other arbitrators any known facts that a reasonable person would consider likely to affect the impartiality of the arbitrator in the arbitration proceeding, including:

(1) A direct and material financial or personal interest in the outcome of the arbitration proceeding; and

(2) An existing or past substantial relationship with any of the parties to the agreement to arbitrate or the arbitration proceeding, their counsel or representatives, a witness, or another arbitrator.

(b) An arbitrator has a continuing obligation to disclose to all parties to the agreement to arbitrate and arbitration



1 proceeding and to any other arbitrators any facts that the
2 arbitrator learns after accepting appointment ~~[which]~~ that a
3 reasonable person would consider likely to affect the
4 impartiality of the arbitrator.

5 (c) If an arbitrator discloses a fact required by
6 subsection (a) or (b) to be disclosed and a party timely objects
7 to the appointment or continued service of the arbitrator based
8 upon the fact disclosed, the objection may be a ground under
9 section 658A-23(a)(2) for vacating an award made by the
10 arbitrator.

11 ~~[(d) If the arbitrator did not disclose a fact as required~~
12 ~~by subsection (a) or (b), upon timely objection by a party, the~~
13 ~~court under section 658A-23(a)(2) may vacate an award.~~

14 ~~(e) An arbitrator appointed as a neutral arbitrator who~~
15 ~~does not disclose a known, direct, and material interest in the~~
16 ~~outcome of the arbitration proceeding or a known, existing, and~~
17 ~~substantial relationship with a party is presumed to act with~~
18 ~~evident partiality under section 658A-23(a)(2).]~~

19 (d) If the court, upon timely objection by a party,
20 determines that the arbitrator did not disclose a fact required
21 by subsection (a) or (b) to be disclosed, the court may



1 determine that such failure to disclose constituted evident
2 partiality and vacate an award made by the arbitrator pursuant
3 to section 658A-23 (a) (2) .

4 [~~f~~] (e) If the parties to an arbitration proceeding
5 agree to the procedures of an arbitration organization or any
6 other procedures for challenges to arbitrators before an award
7 is made, substantial compliance with those procedures is a
8 condition precedent to a motion to vacate an award on that
9 ground under section 658A-23 (a) (2) ."

10 SECTION 2. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 11 day of JUL , 2017




GOVERNOR OF THE STATE OF HAWAII


S.B. No. 314, S.D. 1, H.D. 1 , C.D. 1

THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Twenty-ninth Legislature of the State of Hawaii, Regular Session of 2017.


President of the Senate

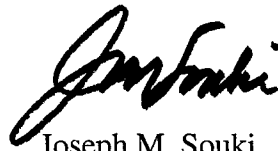

Clerk of the Senate

SB No. 314, SD 1, HD 1, CD 1

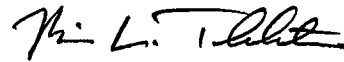
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2017
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Twenty-Ninth Legislature of the State of Hawaii, Regular Session of 2017.



Joseph M. Souki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives