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# A BILL FOR AN ACT

RELATING TO ARBITRATION.

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

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

3           1. By amending subsection (a) to read:

4           "(a) Before accepting appointment, an individual who is  
5 requested to serve as an arbitrator, after making a reasonable  
6 inquiry, shall disclose to all parties to the agreement to  
7 arbitrate and arbitration proceeding and to any other  
8 arbitrators any known facts that a reasonable person would  
9 consider likely to affect the impartiality of the arbitrator in  
10 the arbitration proceeding, including:

11           (1) A known, direct, and material financial or personal  
12 interest in the outcome of the arbitration proceeding;  
13 and

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



1           2. By amending subsections (d) to (f) to read:  
2           " (d) [~~If the arbitrator did not disclose a fact as~~  
3 ~~required by subsection (a) or (b), upon timely objection by a~~  
4 ~~party, the court under section 658A-23(a)(2) may vacate an~~  
5 ~~award.] If the court, upon timely objection by a party,  
6 determines that the arbitrator did not disclose a fact required  
7 by subsection (a) or (b) to be disclosed, the court may  
8 determine that the failure to disclose constituted evident  
9 partiality and vacate an award made by the arbitrator pursuant  
10 to section 658A-23(a)(2).~~

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

16           ~~(f)] (e) If the parties to an arbitration proceeding agree~~  
17 ~~to the procedures of an arbitration organization or any other~~  
18 ~~procedures for challenges to arbitrators before an award is~~  
19 ~~made, substantial compliance with those procedures is a~~  
20 ~~condition precedent to a motion to vacate an award on that~~  
21 ~~ground under section 658A-23(a)(2)."~~



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1 SECTION 2. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4 SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

7

INTRODUCED BY: *Della G. Bellotti*  
*KL*  
*OL*  
JAN 24 2017



# H.B. NO. 1285

**Report Title:**

Arbitration; Arbitrator Disclosures

**Description:**

Requires all arbitrators to disclose known, direct, and material financial or personal interests. Authorizes a court to vacate an arbitration award if that arbitrator failed to make a proper disclosure.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

