

**Introduced by Committee on Judiciary (Senators Escutia
(Chair), Kuehl, O'Connell, Peace, and Sher)**

February 21, 2002

An act to amend Section 1281.85 of the Code of Civil Procedure, relating to arbitration.

LEGISLATIVE COUNSEL'S DIGEST

SB 1707, as introduced, Committee on Judiciary. Arbitration: standards of ethics.

Existing law, beginning July 1, 2002, requires a person serving as a neutral arbitrator pursuant to an arbitration agreement to comply with the ethics standards for arbitrators adopted by the Judicial Council. Existing law also requires these standards to be consistent with the standards established for arbitrators in the judicial arbitration program, and authorizes these standards to expand the general disclosure and disqualification requirements imposed by law for contract arbitration. Existing law further requires these standards to address the disclosure of interests, relationships, or affiliations that may constitute conflicts of interest, including prior service as an arbitrator or other dispute resolution neutral entity, disqualifications, acceptance of gifts, and establishment of future professional relationships.

This bill would specify that these provisions do not apply to an arbitration conducted pursuant to the terms of a public or private sector collective bargaining agreement.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1281.85 of the Code of Civil Procedure
2 is amended to read:
3 1281.85. (a) Beginning July 1, 2002, a person serving as a
4 neutral arbitrator pursuant to an arbitration agreement shall
5 comply with the ethics standards for arbitrators adopted by the
6 Judicial Council pursuant to this section. The Judicial Council
7 shall adopt ethical standards for all neutral arbitrators effective
8 July 1, 2002. These standards shall be consistent with the standards
9 established for arbitrators in the judicial arbitration program and
10 may expand but may not limit the disclosure and disqualification
11 requirements established by this chapter. The standards shall
12 address the disclosure of interests, relationships, or affiliations that
13 may constitute conflicts of interest, including prior service as an
14 arbitrator or other dispute resolution neutral entity,
15 disqualifications, acceptance of gifts, and establishment of future
16 professional relationships.
17 (b) *Subdivision (a) does not apply to an arbitration conducted*
18 *pursuant to the terms of a public or private sector collective*
19 *bargaining agreement.*

