

LEGISLATIVE ACTION

Senate House

Comm: FAV 03/03/2010

The Committee on Commerce (Gelber) recommended the following:

Senate Amendment

Delete lines 226 - 367 and insert:

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684.0006 Waiver of right to object.—A party waives its right to object if it proceeds with the arbitration and fails to object without undue delay or within a provided time limit to:

- (1) Noncompliance of any provision of this chapter from which the parties may derogate and have not derogated; or
- (2) Noncompliance of any requirement under the arbitration agreement.

Section 7. Section 684.0007, Florida Statutes, is created to read:

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684.0007 Extent of court intervention.-In matters governed by this chapter, a court may not intervene except to the extent authorized by this chapter.

Section 8. Section 684.0008, Florida Statutes, is created to read:

684.0008 Court for certain functions of arbitration assistance and supervision. - The functions referenced in ss. 684.0012(3) and (4), 684.0014(3), 684.0015, 684.0017(3), and 684.0046(2) shall be performed by the circuit court in the county in which the seat of the arbitration is located.

Section 9. Section 684.0009, Florida Statutes, is created to read:

- 684.0009 Arbitration agreement and substantive claim before court.-
- (1) A court before which an action is brought in a matter that is the subject of an arbitration agreement shall, if a party so requests not later than when submitting its first statement on the substance of the dispute, refer the parties to arbitration unless it finds that the agreement is null and void, inoperative, or incapable of being performed.
- (2) If an action described in subsection (1) has been brought, arbitral proceedings may nevertheless be commenced or continued, and an award may be made, while the issue is pending before the court.

Section 10. Section 684.001, Florida Statues, is created to read:

684.001 Arbitration agreement and interim measures by a court.-It is not incompatible with an arbitration agreement for a party to request from a court, before or during arbitral

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proceedings, an interim measure of protection and for a court to grant such a measure.

Section 11. Section 684.0011, Florida Statutes, is created to read:

684.0011 Number of arbitrators.-

- (1) The parties may determine the number of arbitrators.
- (2) If the parties fail to determine the number of arbitrators, the number of arbitrators shall be three.

Section 12. Section 684.0012, Florida Statutes, is created to read:

684.0012 Appointment of arbitrators.-

- (1) A person is not precluded by reason of his or her nationality from acting as an arbitrator, unless otherwise agreed by the parties.
- (2) The parties may agree on a procedure of appointing the arbitrator or arbitrators, subject to subsections (4) and (5).
 - (3) Failing such agreement:
- (a) In an arbitration having three arbitrators, each party shall appoint one arbitrator, and the two arbitrators thus appointed shall appoint the third arbitrator. If a party fails to appoint the arbitrator within 30 days after receipt of a request to do so from the other party, or if the two arbitrators fail to agree on the third arbitrator within 30 days after their appointment, the appointment shall be made, upon request of a party, by the court specified in s. 684.0008.
- (b) In an arbitration having a single arbitrator, if the parties are unable to agree on the arbitrator, the arbitrator shall be appointed, upon request of a party, by the court specified in s. 684.0008.

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- (4) If, under an appointment procedure agreed upon by the parties:
 - (a) A party fails to act as required under such procedure;
- (b) The parties, or two arbitrators, are unable to reach an agreement under such procedure; or
- (c) A third party, including an institution, fails to perform any function entrusted to it under such procedure,

any party may request the court specified in s. 684.0008 to take the necessary measure, unless the agreement on the appointment procedure provides other means for securing the appointment.

(5) A decision on a matter entrusted by subsection (3) or subsection (4) to the court specified in s. 684.0008 is not appealable. The court, in appointing an arbitrator, shall have due regard to any qualifications required by the arbitrator by the agreement of the parties and to such considerations that are likely to secure the appointment of an independent and impartial arbitrator. In the case of the appointment of a sole or third arbitrator, the court shall take into account the advisability of appointing an arbitrator of a nationality other than those of the parties.

Section 13. Section 684.0013, Florida Statutes, is created to read:

684.0013 Grounds for challenge.-

(1) When a person is approached in connection with a possible appointment as an arbitrator, the person must disclose any circumstances likely to give rise to justifiable doubts as to the person's impartiality or independence. An arbitrator,

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from the time of appointment and throughout the arbitral proceedings, shall disclose any such circumstances to the parties without delay, unless they have already been informed of them by him or her.

(2) An arbitrator may be challenged only if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence, or if the arbitrator does not possess qualifications agreed to by the parties. A party may challenge an arbitrator appointed by it, or in whose appointment the party participated, only for reasons of which the party became aware after the appointment was made.

Section 14. Section 684.0014, Florida Statutes, is created to read:

684.0014 Challenge procedure.-

- (1) The parties may agree on a procedure for challenging an arbitrator, subject to subsection (3).
- (2) Failing such agreement, a party who intends to challenge an arbitrator shall, within 15 days after becoming aware of the constitution of the arbitral tribunal or after becoming aware of any circumstance described in s. 684.0013(2), send a written statement of the reasons for the challenge to the arbitral tribunal. Unless the challenged arbitrator withdraws from his or her office or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge.
- (3) If a challenge under any procedure agreed upon by the parties or pursuant to subsection (2) is not successful, the challenging party may request, within 30 days after having received notice of the decision rejecting the challenge, the court specified in s. 684.0008 to decide on the challenge. The



decision of the court is not appealable. While such a request is pending, the arbitral tribunal, including the challenged arbitrator, may continue the arbitral proceedings and make an award. Section 15. Section 684.0015, Florida Statutes, is created to read: 684.0015 Failure or impossibility to act.-

(1) If an arbitrator becomes de jure or de facto unable to perform his or her functions or for other reasons fails to act without undue delay, his or her mandate terminates if he or she withdraws from office or if the parties agree on the termination. Otherwise, if a controversy remains concerning any of these grounds, any party may request the court specified in s. 684.0008 to decide on the termination

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