
A BILL FOR AN ACT

RELATING TO ETHICS.

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

1 SECTION 1. When state officials are embroiled in conflict-
2 of-interest situations, there is a public perception that they
3 are being improperly influenced by their personal or financial
4 interests. This Act seeks to avoid the perception of wrongdoing
5 and build public confidence in state officials and government
6 decision-making.

7 SECTION 2. Section 84-14, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) No employee shall take any official action directly
10 affecting:

- 11 (1) A business or other undertaking in which [~~he~~] the
12 employee has a substantial financial interest; [~~or~~]
13 (2) A private undertaking in which [~~he~~] the employee is
14 engaged as legal counsel, advisor, consultant,
15 representative, or other agency capacity[~~-~~]; or
16 (3) A business or undertaking in which the employee knows
17 or has reason to know that a sibling, a parent, an
18 emancipated child, or a household member has a



1 substantial financial interest; provided that the
2 financial interest of these individuals shall not
3 include those of any spouse or child.

4 A department head who is unable to disqualify [~~himself~~] the
5 department head's self on any matter described in [~~items~~]
6 paragraphs (1) and (2) [~~above~~] will not be in violation of this
7 subsection if [~~he~~] the department head has complied with the
8 disclosure requirements of section 84-17[~~; and~~].

9 A person whose position on a board, commission, or
10 committee is mandated by statute, resolution, or executive order
11 to have particular qualifications shall only be prohibited from
12 taking official action that directly and specifically affects a
13 business or undertaking in which [~~he~~] that person has a
14 [~~substantial~~] financial interest; provided that the
15 [~~substantial~~] financial interest is related to [~~the member's~~]
16 that person's particular qualifications."

17 SECTION 3. Section 84-17, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending subsection (d) to read:

20 "(d) The financial disclosure statements of the following
21 persons shall be public records and available for inspection and
22 duplication:



- 1 (1) The governor, the lieutenant governor, the members of
2 the legislature, candidates for and delegates to the
3 constitutional convention, the members of the board of
4 education, the trustees of the office of Hawaiian
5 affairs, and candidates for state elective offices;
- 6 (2) The directors of the state departments and their
7 deputies, regardless of the titles by which the
8 foregoing persons are designated; provided that with
9 respect to the department of the attorney general, the
10 foregoing shall apply only to the attorney general and
11 the first deputy attorney general;
- 12 (3) The administrative director of the State;
- 13 (4) The members of the board of regents, the president,
14 the vice presidents, the assistant vice presidents,
15 the chancellors, and the provosts of the University of
16 Hawaii;
- 17 (5) The superintendent, the deputy superintendent, the
18 state librarian, and the deputy state librarian of the
19 department of education;
- 20 (6) The administrative director and the deputy director of
21 the courts; [~~and~~]

1 (7) The administrator and the assistant administrator of
2 the office of Hawaiian affairs[~~-~~]; and

3 (8) The members of the board of land and natural
4 resources, the board of agriculture, the Hawaiian
5 homes commission, the stadium authority, the Hawaii
6 community development authority, the Hawaii tourism
7 authority, the natural energy laboratory of Hawaii
8 authority, and the Hawaii paroling authority."

9 2. By amending subsection (g) to read:

10 "(g) Where an amount is required to be reported, the
11 person disclosing may indicate whether the amount is at least
12 \$1,000 but less than \$10,000; at least \$10,000 but less than
13 \$25,000; at least \$25,000 but less than \$50,000; at least
14 \$50,000 but less than \$100,000; at least \$100,000 but less than
15 \$150,000; at least \$150,000 but less than \$250,000; at least
16 \$250,000 but less than \$500,000; at least \$500,000 but less than
17 \$750,000; at least \$750,000 but less than \$1,000,000; or
18 \$1,000,000 or more. An amount of stock may be reported by
19 number of shares.

20 Members of the board of regents, the board of land and
21 natural resources, the board of agriculture, and the Hawaiian
22 homes commission who file public financial disclosure statements

1 need not report, where an amount is required to be reported, the
2 actual dollar value of the financial interest or the dollar
3 range of value."

4 SECTION 4. Section 84-31, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) If after twenty days following service of the charge
7 and further statement of alleged violation in accordance with
8 this section, a majority of the members of the commission
9 conclude that there is probable cause to believe that a
10 violation of this chapter or of the code of ethics adopted by
11 the constitutional convention has been committed, then the
12 commission shall set a time and place for a hearing, giving
13 notice to the complainant and the alleged violator. Upon the
14 commission's issuance of a notice of hearing, the charge and
15 further statement of alleged violation and the alleged
16 violator's written response thereto shall become public records.
17 The hearing shall be held within ninety days of the commission's
18 issuance of a notice of hearing. If the hearing is not held
19 within that ninety-day period, the charge and further statement
20 of alleged violation shall be dismissed; provided that any delay
21 that is at the request of, or caused by, the alleged violator



1 shall not be counted against the ninety-day period. All parties
2 shall have an opportunity to:

3 (1) [~~to be~~] Be heard[~~τ~~];

4 (2) [~~to subpoena~~] Subpoena witnesses and require the
5 production of any books or papers relative to the
6 proceedings[~~τ~~];

7 (3) [~~to be~~] Be represented by counsel; and

8 (4) [~~to have~~] Have the right of cross-examination.

9 All hearings shall be in accordance with chapter 91. All
10 witnesses shall testify under oath and the hearings shall be
11 open to the public. The commission shall not be bound by the
12 strict rules of evidence but the commission's findings must be
13 based upon competent and substantial evidence. All testimony
14 and other evidence taken at the hearing shall be recorded.
15 Copies of transcripts of such record shall be available only to
16 the complainant and the alleged violator at their own expense,
17 and the fees therefor shall be deposited in the State's general
18 fund."

19 SECTION 5. This Act does not affect rights and duties that
20 matured, penalties that were incurred, and proceedings that were
21 begun, before its effective date.



1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2006.



Report Title:

Ethics; Conflicts of Interest; Prohibited Activities

Description:

Prohibits state board or commission members from doing business with their board. Prohibits public employees from taking actions that directly affect their families. Requires disclosure of financial interests for specified state board members, including the board of regents. (SD1)

