

JAN 28 2009

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# A BILL FOR AN ACT

RELATING TO CONFLICTS OF INTEREST.

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

1           SECTION 1. Section 84-14, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) No employee shall take any official action directly  
4 affecting:

5           (1) A business or other undertaking in which [~~he~~] the  
6           employee has a substantial financial interest; [~~or~~]

7           (2) A private undertaking in which [~~he~~] the employee is  
8 engaged as legal counsel, advisor, consultant,  
9 representative, or other agency capacity[~~-~~]; or

10          (3) A business or undertaking in which the employee knows  
11 or has reason to know that a brother, a sister, a  
12 parent, or an emancipated child of the employee has:

13          (A) An ownership interest in the business;

14          (B) A creditor interest in the insolvent business;

15          (C) An employment, or a prospective employment for  
16 which negotiations have begun;



- 1            (D) An ownership interest in real or personal
- 2                            property;
- 3            (E) A loan or other debtor interest; or
- 4            (F) A directorship or officership in the business,
- 5                            that is substantial.

6            A department head who is unable to disqualify [~~himself~~] the  
7 department head's self on any matter described in [~~items (1) and~~  
8 ~~(2) above will~~] paragraphs (1), (2), or (3) shall not be in  
9 violation of this subsection if [~~he~~] the department head has  
10 complied with the disclosure requirements of section 84-17[~~+~~  
11 ~~and~~].

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

20            SECTION 2. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.

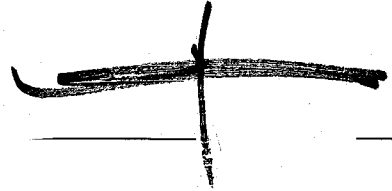
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1 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



By Request

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**Report Title:**

Conflicts of Interest

**Description:**

Expands conflicts of interests section of state ethics code.

