

JAN 21 2010

A BILL FOR AN ACT

RELATING TO FINANCIAL INTERESTS DISCLOSURE STATEMENTS.

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

1 SECTION 1. Section 84-17, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§84-17 Requirements of disclosure. (a) For the purposes
4 of this section, the terms:

5 "Disclosure period" refers to the period from January 1 of
6 the preceding calendar year to the time of the filing of the
7 employee's or legislator's disclosure of financial interests.

8 "Identity" includes the name of the business and any other
9 names, such as a trade name, "doing business as" name, and other
10 names commonly used to refer to the business.

11 ~~["Substantially the same" refers to no more than ten~~
12 ~~amendments or changes to the information reported for the~~
13 ~~preceding disclosure period.]~~

14 (b) The disclosure of financial interest required by this
15 section shall be filed:

16 (1) Between January 1 and May 31 of each year;

17 (2) Within thirty days of one's election or appointment to
18 a state position enumerated in subsection (c); or



1 (3) Within thirty days of separation from a state position
2 if a prior financial disclosure statement for the
3 position was not filed within the one hundred eighty
4 days preceding the date of separation;
5 provided that candidates for state elective offices or the
6 constitutional convention shall file the required statements no
7 later than twenty days prior to the date of the primary election
8 for state offices or the election of delegates to the
9 constitutional convention.

10 (c) The following persons shall file annually with the
11 state ethics commission a disclosure of financial interests:

12 (1) The governor, the lieutenant governor, the members of
13 the legislature, and delegates to the constitutional
14 convention; provided that delegates to the
15 constitutional convention shall only be required to
16 file initial disclosures;

17 (2) The directors and their deputies, the division chiefs,
18 the executive directors and the executive secretaries
19 and their deputies, the purchasing agents and the
20 fiscal officers, regardless of the titles by which the
21 foregoing persons are designated, of every state
22 agency and department;



- 1 (3) The permanent employees of the legislature and its
2 service agencies, other than persons employed in
3 clerical, secretarial, or similar positions;
- 4 (4) The administrative director of the State, and the
5 assistants in the office of the governor and the
6 lieutenant governor, other than persons employed in
7 clerical, secretarial, or similar positions;
- 8 (5) The hearings officers of every state agency and
9 department;
- 10 (6) The president, the vice presidents, assistant vice
11 presidents, the chancellors, and the provosts of the
12 University of Hawaii and its community colleges;
- 13 (7) The superintendent, the deputy superintendent, the
14 assistant superintendents, the complex area
15 superintendents, the state librarian, and the deputy
16 state librarian of the department of education;
- 17 (8) The administrative director and the deputy director of
18 the courts;
- 19 (9) The members of every state board or commission whose
20 original terms of office are for periods exceeding one
21 year and whose functions are not solely advisory;



- 1 (10) Candidates for state elective offices, including
2 candidates for election to the constitutional
3 convention, provided that candidates shall only be
4 required to file initial disclosures; and
- 5 (11) The administrator and assistant administrator of the
6 office of Hawaiian affairs.
- 7 (d) The financial disclosure statements of the following
8 persons shall be public records and available for inspection and
9 duplication:
- 10 (1) The governor, the lieutenant governor, the members of
11 the legislature, candidates for and delegates to the
12 constitutional convention, the members of the board of
13 education, the trustees of the office of Hawaiian
14 affairs, and candidates for state elective offices;
- 15 (2) The directors of the state departments and their
16 deputies, regardless of the titles by which the
17 foregoing persons are designated; provided that with
18 respect to the department of the attorney general, the
19 foregoing shall apply only to the attorney general and
20 the first deputy attorney general;
- 21 (3) The administrative director of the State;



1 (4) The president, the vice presidents, the assistant vice
2 presidents, the chancellors, and the provosts of the
3 University of Hawaii;

4 (5) The superintendent, the deputy superintendent, the
5 state librarian, and the deputy state librarian of the
6 department of education;

7 (6) The administrative director and the deputy director of
8 the courts; and

9 (7) The administrator and the assistant administrator of
10 the office of Hawaiian affairs.

11 (e) The information on the financial disclosure statements
12 shall be confidential, except as provided in subsection (d).

13 The commission shall not release the contents of the disclosures
14 except as may be permitted pursuant to this chapter. ~~[Any~~
15 ~~person who releases any confidential information shall be~~
16 ~~subject to section 84-31(e).]~~

17 (f) Candidates for state elective offices, including
18 candidates for election to the constitutional convention, shall
19 only be required to disclose their own financial interests. The
20 disclosures of financial interests of all other persons
21 designated in subsection (c) shall state, in addition to the
22 financial interests of the person disclosing, the financial



1 interests of the person's spouse and dependent children. All
2 disclosures shall include:

3 (1) The source and amount of all income of \$1,000 or more
4 received, for services rendered, by the person in the
5 person's own name or by any other person for the
6 person's use or benefit during the preceding calendar
7 year and the nature of the services rendered; provided
8 that information that may be privileged by law or
9 individual items of compensation that constitute a
10 portion of the gross income of the business or
11 profession from which the person derives income need
12 not be disclosed;

13 (2) The amount and identity of every ownership or
14 beneficial interest held during the disclosure period
15 in any business having a value of \$5,000 or more or
16 equal to ten per cent of the ownership of the business
17 and, if the interest was transferred during the
18 disclosure period, the date of the transfer; provided
19 that an interest in the form of an account in a
20 federal or state regulated financial institution, an
21 interest in the form of a policy in a mutual insurance
22 company, or individual items in a mutual fund or a



1 blind trust, if the mutual fund or blind trust has
2 been disclosed pursuant to this paragraph, need not be
3 disclosed;

4 (3) Every officership, directorship, trusteeship, or other
5 fiduciary relationship held in a business during the
6 disclosure period, the term of office and the annual
7 compensation;

8 (4) The name of each creditor to whom the value of \$3,000
9 or more was owed during the disclosure period and the
10 original amount and amount outstanding; provided that
11 debts arising out of retail installment transactions
12 for the purchase of consumer goods need not be
13 disclosed;

14 (5) The street address and, if available, the tax map key
15 number, and the value of any real property in which
16 the person holds an interest whose value is \$10,000 or
17 more, and, if the interest was transferred or obtained
18 during the disclosure period, a statement of the
19 amount and nature of the consideration received or
20 paid in exchange for such interest, and the name of
21 the person furnishing or receiving the consideration;
22 provided that disclosure shall not be required of the



1 street address and tax map key number of the person's
2 residence;

3 (6) The names of clients personally represented before
4 state agencies, except in ministerial matters, for a
5 fee or compensation during the disclosure period and
6 the names of the state agencies involved; and

7 (7) The amount and identity of every creditor interest in
8 an insolvent business held during the disclosure
9 period having a value of \$5,000 or more.

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

19 ~~[(h) The state ethics commission shall provide a long form~~
20 ~~of disclosure on all even numbered years and a short form of~~
21 ~~disclosure for subsequent annual filings on all odd numbered~~
22 ~~years in those instances where the financial interests of the~~



1 ~~person disclosing are substantially the same as those reported~~
2 ~~for the preceding disclosure period.~~

3 ~~(i)]~~ (h) Failure of a legislator, a delegate to the
4 constitutional convention, or employee to file a disclosure of
5 financial interests as required by this section shall be a
6 violation of this chapter. Any legislator, delegate to a
7 constitutional convention, or employee who fails to file a
8 disclosure of financial interests when due shall be assessed an
9 administrative fine of \$50. The state ethics commission shall
10 notify a person, by registered mail, return receipt requested,
11 of the failure to file, and the disclosure of financial
12 interests shall be submitted to the commission not later than
13 4:30 p.m. on the tenth day after notification of the failure to
14 file has been mailed to the person. If a disclosure of
15 financial interests has not been filed within ten days of the
16 due date, an additional administrative fine of \$10 for each day
17 a disclosure remains unfiled shall be added to the
18 administrative fine. All administrative fines collected under
19 this section shall be deposited in the State's general fund.
20 Any administrative fine for late filing shall be in addition to
21 any other action the commission may take under this chapter for
22 violations of the state ethics code. The commission may waive



1 any administrative fines assessed under this subsection for good
2 cause shown.

3 ~~[(j)]~~ (i) The chief election officer, upon receipt of the
4 nomination paper of any person seeking a state elective office,
5 including the office of delegate to the constitutional
6 convention, shall notify the ethics commission of the name of
7 the candidate for state office and the date on which the person
8 filed the nomination paper. The ethics commission, upon the
9 expiration of the time allowed for filing, shall release to the
10 public a list of all candidates who have failed to file
11 financial disclosure statements and shall immediately assess a
12 late filing penalty fee against those candidates of \$25 which
13 shall be collected by the state ethics commission and deposited
14 into the general fund. The ethics commission may investigate,
15 initiate, or receive charges as to whether a candidate's
16 financial disclosure statement discloses the financial interests
17 required to be disclosed. After proceeding in conformance with
18 section 84-31, the ethics commission may issue a decision as to
19 whether a candidate has complied with section 84-17(f) and this
20 decision shall be a matter of public record."

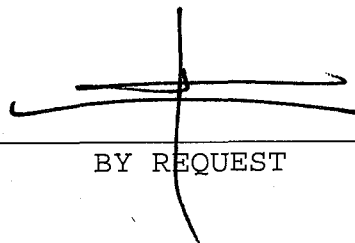
21 SECTION 2. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



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

2

INTRODUCED BY:

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BY REQUEST



Report Title:

State Ethics; Financial Interests Disclosure Statement

Description:

Repeals the provision allowing the submission of short form financial interests disclosure statements every odd-numbered year. Also clarifies certain provisions of the financial interests disclosure law.

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

