

S.B. NO. 2719

JAN 25 2012

A BILL FOR AN ACT

RELATING TO LIMITED EXEMPTION UNDER STATE ETHICS CODE REGARDING CHARITABLE EVENTS.

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

1 SECTION 1. Section 84-11, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§~~84-11 Gifts. [~~N~~] (a) Except as provided in subsection
4 (b), no legislator or employee shall solicit, accept, or
5 receive, directly or indirectly, any gift, whether in the form
6 of money, service, loan, travel, entertainment, hospitality,
7 thing, or promise, or in any other form, under circumstances in
8 which it can reasonably be inferred that the gift is intended to
9 influence the legislator or employee in the performance of the
10 legislator's or employee's official duties or is intended as a
11 reward for any official action on the legislator's or employee's
12 part.

13 (b) A legislator or employee may accept an invitation or
14 complimentary ticket for a widely attended charitable event from
15 a charitable entity, whether or not the charitable entity is the
16 host of the charitable event, as a courtesy to a legislator or
17 employee to attend such widely attended charitable event;

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1 provided that any such invitation or ticket accepted under this
2 subsection shall be reported to the state ethics commission, in
3 the same form, at the same time, and for the same time periods
4 specified in section 84-11.5, regardless of its value; and
5 provided further that the value reported shall be the actual
6 value determined by the charitable entity based on its costs for
7 the event, rather than the nominal or face value shown on the
8 invitation or ticket.

9 (c) For purposes of this section:

10 "Charitable entity" means an entity that has received
11 recognition of tax exempt status under section 501(c)(3) of the
12 Internal Revenue Code.

13 "Charitable event" means a fundraiser or informational
14 function sponsored by a charitable entity that is widely
15 attended and is held specifically for the purpose of raising
16 money for a specific beneficial purpose or providing information
17 about the charitable entity, but "charitable event" does not
18 include golf tournaments."

19 SECTION 3. Section 84-13, Hawaii Revised Statutes, is
20 amended to read as follows:

21 **"§84-13 Fair treatment.** ~~[No]~~ Except as permitted in
22 section 84-11, no legislator or employee shall use or attempt to

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1 use the legislator's or employee's official position to secure
2 or grant unwarranted privileges, exemptions, advantages,
3 contracts, or treatment, for oneself or others; including but
4 not limited to the following:

5 (1) Seeking other employment or contract for services for
6 oneself by the use or attempted use of the
7 legislator's or employee's office or position.

8 (2) Accepting, receiving, or soliciting compensation or
9 other consideration for the performance of the
10 legislator's or employee's official duties or
11 responsibilities except as provided by law.

12 (3) Using state time, equipment, or other facilities for
13 private business purposes.

14 (4) Soliciting, selling, or otherwise engaging in a
15 substantial financial transaction with a subordinate
16 or a person or business whom the legislator or
17 employee inspects or supervises in the legislator's
18 or employee's official capacity.

19 Nothing herein shall be construed to prohibit a legislator
20 from introducing bills and resolutions, serving on committees or
21 from making statements or taking action in the exercise of the
22 legislator's legislative functions. Every legislator shall file

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1 a full and complete public disclosure of the nature and extent
2 of the interest or transaction which the legislator believes may
3 be affected by legislative action."


4 SECTION 3. This Act does not affect rights and duties that
5 matured, penalties that were incurred, and proceedings that were
6 begun before its effective date.

7 SECTION 4. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 5. This Act shall take effect on July 1, 2012.

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INTRODUCED BY: 

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BY REQUEST

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Report Title:

Ethics; Charitable Events; Legislators; State Employees

Description:

Exempts from restrictions on gifts under the ethics code invitations or complimentary tickets to a widely attended charitable event from a charitable entity, whether or not the charitable entity is the host of the charitable event. Requires disclosure. Effective July 1, 2012.

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

JUSTIFICATION SHEET

DEPARTMENT: Attorney General

TITLE: A BILL FOR AN ACT RELATING TO LIMITED EXEMPTION UNDER STATE ETHICS CODE REGARDING CHARITABLE EVENTS.

PURPOSE: Provides a limited exemption under the State Ethics Code to permit legislators and state employees to accept invitations or complimentary tickets from charitable entities to widely attended charitable events, except for golf tournaments.

MEANS: Amend sections 84-11 and 84-13, Hawaii Revised Statutes.

JUSTIFICATION: Charitable entities often fulfill important public functions, such as direct services to low-income and disadvantaged persons, and other public benefits. Attendance by lawmakers and government officials at events sponsored by charitable entities provides them with educational opportunities to help keep them current with community issues. Accordingly, invitations or complimentary tickets to such events, excluding golf tournaments, for legislators and state employees should be exempt from the prohibitions of section 84-11, Hawaii Revised Statutes. Nevertheless, the receipt and actual value of the invitations or complimentary tickets, as determined by the charitable entity, are still subject to reporting requirements. Actual value of the invitation or complimentary ticket may not be the same as the nominal or face value. For example, if the face value is "free", but the actual value of the invitation or ticket as determined by the charitable entity is \$100, the actual value of \$100 shall be reported. Conversely, if the face value is \$200, but the actual value of the invitation or ticket as determined by the

charitable entity is \$75, the actual value of \$75 shall be reported.

Impact on the public: The impact on the public should be positive because the proposed amendment will permit legislators and state employees to attend charitable events and obtain current information on community issues.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: None.

OTHER AFFECTED
AGENCIES: State Ethics Commission; Legislature;
Executive Branch Agencies.

EFFECTIVE DATE: July 1, 2012.