
A BILL FOR AN ACT

RELATING TO STANDARDS OF CONDUCT.

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

1 SECTION 1. The legislature finds that legislators are
2 entrusted by the people of Hawaii to serve the public interest.
3 Through the responsible use of this political power, legislators
4 demonstrate their understanding and respect for those who have
5 entrusted this power to them.

6 The 1978 constitutional convention believed that "public
7 officers and employees must exhibit the highest standards of
8 ethical conduct and that these standards come from the personal
9 integrity of each individual in government." Hereafter the
10 legislature established standards of ethical conduct for
11 legislators and employees by enactment of chapter 84, Hawaii
12 Revised Statutes, which also established the ethics commission,
13 an independent body to administer and enforce chapter 84. These
14 standards -- and their enforcement -- seek to establish the
15 public's confidence in the actions and integrity of their
16 government officials.

17 However, with the increasing complexity of government and
18 its broader intervention into private affairs, conflicts of



1 interest have become almost inevitable for the State's part-time
2 legislators who may have employment unrelated to their elective
3 positions. Adoption of broader ethical standards, and
4 transparency in the resolution of ethical conflicts, is
5 imperative for the public to understand the intricacies of the
6 legislative process and its effects on the legislators. Broader
7 standards will also provide legislators the guidance needed to
8 confront the inevitable conflicts between their responsibility
9 to the public and their need to pursue employment outside the
10 legislature.

11 The legislature further finds that it is in the public
12 interest to establish additional ethics requirements for state
13 officials and employees beyond those in the legislative branch.
14 To strengthen public confidence in their elected officials and
15 provide guidance to state officials and employees, the
16 legislature finds that an even higher and more transparent
17 standard of conduct must be established. It is not enough to
18 comply with the State Ethics Code; state officials and employees
19 must avoid even the appearance of impropriety or any conflict of
20 interest in performance of their public duties, and the public
21 must be a part of this process.



1 The purpose of this Act is to advance the public trust by
2 increasing government transparency and accountability.

3 SECTION 2. Chapter 84, Hawaii Revised Statutes, is amended
4 by adding two new sections to be appropriately designated and to
5 read as follows:

6 "§84-A Legislative interns; compensation from private
7 employers. No person shall receive any compensation from a
8 private employer for the person's internship with the
9 legislature.

10 §84-B Gifts from lobbyists and other persons interested in
11 influencing government actions; prohibition. (a) Except as
12 otherwise provided by subsection (b), no legislator or employee
13 during the period specified in this subsection shall solicit,
14 accept, or receive, directly or indirectly, any gift, whether in
15 the form of money, service, loan, travel, entertainment,
16 hospitality, thing, promise, or in any other form, from:

- 17 (1) A lobbyist;
18 (2) A person who employs or contracts a lobbyist;
19 (3) A person who spends \$750 or more of the person's or
20 any other person's money in any six-month period for
21 the purpose of attempting to influence government
22 action; or



1 (4) A principal of a person listed under paragraph (2) or
2 (3).

3 The period during which the solicitation, acceptance, or receipt
4 of a gift is prohibited shall be any period for which the
5 lobbyist or person listed under paragraph (2) or (3) is required
6 to file a report pursuant to section 97-3 plus an additional
7 twelve months thereafter.

8 (b) The prohibition in subsection (a) shall not apply to
9 the following:

10 (1) A gift from a lobbyist, person listed under subsection
11 (a) (2) or (3), or principal identified in subsection
12 (a) (4) which would be excluded from the reporting
13 requirement of section 84-11.5(d);

14 (2) A lei that the legislator or employee reasonably
15 believes has a value of not more than \$20; or

16 (3) A gift of flowers, food, beverage, tableware,
17 decorations, and entertainment for use to observe the
18 opening day of a regular session of the legislature.

19 (c) The prohibition of this section is in addition to the
20 prohibitions imposed under section 84-11.

21 (d) For the purpose of this section, "principal of a
22 person listed under subsection (a) (2) or (3)" means, if the



1 "person" so listed is a business or other entity, a director,
2 officer, partner, sole proprietor, registered agent, manager,
3 fiduciary, beneficiary, or person with control of the entity."

4 SECTION 3. Chapter 97, Hawaii Revised Statutes, is amended
5 by adding a new section to be appropriately designated and to
6 read as follows:

7 "§97-A Prohibition on gifts to a legislator or state
8 employee. No lobbyist or other person from whom a legislator or
9 employee is prohibited from soliciting, accepting, or receiving
10 a gift under section 84-B shall offer or donate such a gift to
11 the legislator or employee.

12 For purposes of this section, "employee" means the same as
13 defined under section 84-3."

14 SECTION 4. Section 84-3, Hawaii Revised Statutes, is
15 amended by adding three new definitions to be appropriately
16 inserted and to read as follows:

17 "Legislative employee" means an employee of the
18 legislative branch.

19 "Lobbyist" means the same as defined under section 97-1.

20 "Person" means the same as defined under section 97-1."

21 SECTION 5. Section 84-11, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§84-11 Gifts[-]; prohibition when conflict of interest.
2 No legislator or employee shall solicit, accept, or receive,
3 directly or indirectly, any gift, whether in the form of money,
4 service, loan, travel, entertainment, hospitality, thing, or
5 promise, or in any other form, under circumstances in which it
6 can reasonably be inferred that the gift is intended to
7 influence the legislator or employee in the performance of the
8 legislator's or employee's official duties or is intended as a
9 reward for any official action on the legislator's or employee's
10 part. A gift excluded from the reporting requirement of section
11 84-11.5(d), shall not be prohibited under this section."

12 SECTION 6. Section 84-11.5, Hawaii Revised Statutes, is
13 amended as follows:

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

15 "(d) Excluded from the reporting requirements of this
16 section are the following:

- 17 (1) Gifts received by will or intestate succession;
- 18 (2) Gifts received by way of distribution of any inter
19 vivos or testamentary trust established by a spouse or
20 ancestor;
- 21 (3) Gifts from a spouse, fiance, fiancée, any relative
22 within four degrees of consanguinity or the spouse,



1 fiance, or fiancée of such a relative. A gift from
2 any such person is a reportable gift if the person is
3 acting as an agent or intermediary for any person not
4 covered by this paragraph;

5 (4) Political campaign contributions that comply with
6 state law;

7 (5) Anything available to or distributed to the public
8 generally without regard to the official status of the
9 recipient;

10 (6) Gifts that, within thirty days after receipt, are
11 returned to the giver or delivered to a public body or
12 to a bona fide educational or charitable organization
13 without the donation being claimed as a charitable
14 contribution for tax purposes; [and]

15 (7) Gifts from a nonprofit organization comprised of state
16 or local governments or federal, state, or local
17 government agencies or officers;

18 (8) Gifts from an out-of-state government that, within
19 thirty days after receipt, are reported in writing to
20 the ethics commission; and

21 ~~(7)~~ (9) Exchanges of approximately equal value on
22 holidays, birthday, or special occasions."



1 2. By amending subsection (f) to read:

2 "(f) This section shall not affect the applicability of
3 section 84-11[-] or 84-B."

4 SECTION 7. Section 84-18, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) No former legislator, within [~~twelve months~~] two
7 years after termination of the former legislator's employment,
8 shall represent any person or business for a fee or other
9 consideration, on matters in which the former legislator
10 participated as a legislator or on matters involving official
11 action by the legislature."

12 SECTION 8. Section 97-3, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§97-3 Contributions and expenditures; statement.** (a)

15 The following persons shall file a statement of expenditures
16 with the state ethics commission on March 31, May 31, and
17 January 31 of each year:

18 (1) Each lobbyist.

19 (2) Each person who spends \$750 or more of the person's or
20 any other person's money in any six-month period for
21 the purpose of attempting to influence legislative or
22 administrative action or a ballot issue by



1 communicating or urging others to communicate with
2 public officials; provided that any amounts expended
3 for travel costs, including incidental meals and
4 lodging, shall not be included in the tallying of the
5 \$750.

6 (3) Each person who employs or contracts for the services
7 of one or more lobbyists, whether independently or
8 jointly with other persons. If the person is an
9 industry, trade, or professional association, only the
10 association is the employer of the lobbyist.

11 (b) The March 31 report shall cover the period from
12 January 1 through the last day of February. The May 31 report
13 shall cover the period from March 1 through April 30. The
14 January 31 report shall cover the period from May 1 through
15 December 31 of the previous year.

16 (c) The statement shall contain the following information:

17 (1) The name and address of each person with respect to
18 whom expenditures for the purpose of lobbying in the
19 total sum of \$25 or more per day was made by the
20 person filing the statement during the statement
21 period and the amount or value of such expenditure;



- 1 (2) The name and address of each person with respect to
2 whom expenditures for the purpose of lobbying in the
3 aggregate of \$150 or more was made by the person
4 filing the statement during the statement period and
5 the amount or value of such expenditures;
- 6 (3) The total sum or value of all expenditures for the
7 purpose of lobbying made by the person filing the
8 statement during the statement period in excess of
9 \$750 during the statement period;
- 10 (4) The name and address of each person making
11 contributions to the person filing the statement for
12 the purpose of lobbying in the total sum of \$25 or
13 more during the statement period and the amount or
14 value of such contributions; [and]
- 15 (5) The subject area of the legislative and administrative
16 action which was supported or opposed by the person
17 filing the statement during the statement period[-];
18 and
- 19 (6) The receipt or expenditure of any money for the
20 purpose of influencing the election or defeat of any
21 candidate for any elective office or for the passage



1 or defeat of any proposed measure at any special or
2 general election.

3 ~~[(d) The receipt or expenditure of any money for the~~
4 ~~purpose of influencing the election or defeat of any candidate~~
5 ~~for an elective office or for the passage or defeat of any~~
6 ~~proposed measure at any special or general election is excluded~~
7 ~~from the reporting requirement of this section.] "~~

8 SECTION 9. Section 97-7, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) Any person who:

- 11 (1) Wilfully fails to file any statement or report
12 required by this chapter;
- 13 (2) Wilfully files a statement or report containing false
14 information or material omission of any fact;
- 15 (3) Engages in activities prohibited by section 97-5[+] or
16 97-A; or
- 17 (4) Fails to provide information required by section 97-2
18 or 97-3;

19 shall be subject to an administrative fine imposed by the
20 commission that shall not exceed \$500 for each violation of this
21 chapter. All fines collected under this section shall be
22 deposited into the general fund."



H.B. NO. 601

1 SECTION 10. In codifying the new sections added by section
 2 2 and 3 of this Act, the revisor of statutes shall substitute
 3 appropriate section numbers for the letters used in designating
 4 the new sections in this Act.

5 SECTION 11. This Act does not affect rights and duties
 6 that matured, penalties that were incurred, and proceedings that
 7 were begun before its effective date.

8 SECTION 12. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 13. This Act shall take effect upon its approval.

11

INTRODUCED BY:

Colin H. Day
~~[Signature]~~
G.S.L.

[Signature]
[Signature]

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[Signature]
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H.B. NO. 601

Report Title:

Ethics; Legislators; State Officials and Employees; Lobbyists

Description:

Amends ethics law to prohibit private employer compensation of legislative interns. Amends ethics and lobbying laws to further restrict gifts and require additional reporting of expenditures.

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

