

Honolulu, Hawaii

February 7, 2013

RE: H.B. No. 207  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 207 entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC FINANCIAL DISCLOSURE STATEMENTS,"

begs leave to report as follows:

The purpose of this measure is to strengthen the policy of open and transparent government by requiring financial disclosure statements to be filed with the State Ethics Commission by members of certain boards and commissions.

More specifically, this measure requires members of the following boards and commissions to file financial disclosure statements with the State Ethics Commission and makes the statements available for inspection and duplication:

- (1) Board of Agriculture;
- (2) Board of Land and Natural Resources;
- (3) Hawaii Labor Relations Board;
- (4) Hawaii Homes Commission;
- (5) Labor and Industrial Relations Appeals Board;
- (6) Public Utilities Commission; and
- (7) Board of Regents of the University of Hawaii.

Testimony in support of this measure was submitted by the Hawaii State Ethics Commission. Written comments were submitted by the Public Utilities Commission.

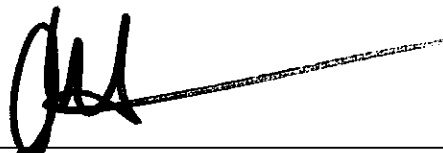


Your Committee finds that the purpose of the financial disclosure requirement of the state ethics code is to foster public confidence in the state government by allowing the public to review financial disclosure statements to determine possible conflicts of interests. Under the ethics code, a number of public officials, including directors and deputy directors of state executive departments, the administrator and deputy director of the courts, members of the Board of Education, the superintendant and deputy superintendant of education, the state librarian and deputy state librarian, and members of the Legislature, are currently required to provide publicly available financial disclosure statements to the State Ethics Commission. Because the members of the boards and commissions named in this measure are vested with significant authority by virtue of their role as a member of the board or commission, it is reasonable to require these members to provide publicly available financial disclosure statements. Mandatory financial disclosure would clarify that the member has no conflict of interest when exercising the member's powers and duties.

Your Committee has amended this measure by changing the effective date to July 1, 2112, to promote further discussion on this issue.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 207, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 207, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



