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## A BILL FOR AN ACT

RELATING TO ETHICS.

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

1           SECTION 1. The legislature finds that Act 208, Session  
2 Laws of Hawaii 2012, was created to exempt members of state task  
3 forces from some of the requirements, restrictions, and  
4 prohibitions of the code of ethics. The legislature believed  
5 that this would encourage persons with specialized knowledge and  
6 experience to serve on temporary task forces created by the  
7 legislative and executive branches. These individuals would be  
8 able to volunteer their time and expertise to serve the public  
9 good by studying issues, making recommendations, and offering  
10 advice without fear of running afoul of prohibitions on  
11 conflicts of interest. However, the legislature finds that Act  
12 208, which was effective on July 3, 2012, did not have a  
13 retroactive date and did not clarify that its exemption applied  
14 to certain task forces created prior to that date.

15           The purpose of this Act is to specify a retroactive date of  
16 June 3, 2010, to clarify the legislature's intent that certain  
17 task forces created prior to the effective date of Act 208,



1 Session Laws of Hawaii 2012, be exempt from certain provisions  
2 of the code of ethics.

3 SECTION 2. Section 84-14, Hawaii Revised Statutes, is  
4 amended to read as follows:

5 "§84-14 Conflicts of interests. (a) No employee shall  
6 take any official action directly affecting:

7 (1) A business or other undertaking in which the employee  
8 has a substantial financial interest; or

9 (2) A private undertaking in which the employee is engaged  
10 as legal counsel, advisor, consultant, representative,  
11 or other agency capacity.

12 A department head who is unable to disqualify the  
13 department head's self on any matter described in paragraphs (1)  
14 and (2) will not be in violation of this subsection if the  
15 department head has complied with the disclosure requirements of  
16 section 84-17.

17 A person whose position on a board, commission, or  
18 committee is mandated by statute, resolution, or executive order  
19 to have particular qualifications shall only be prohibited from  
20 taking official action that directly and specifically affects a  
21 business or undertaking in which the person has a substantial



1 financial interest; provided that the substantial financial  
2 interest is related to the member's particular qualifications.

3 (b) No employee shall acquire financial interests in any  
4 business or other undertaking which the employee has reason to  
5 believe may be directly involved in official action to be taken  
6 by the employee.

7 (c) No legislator or employee shall assist any person or  
8 business or act in a representative capacity before any state or  
9 county agency for a contingent compensation in any transaction  
10 involving the State.

11 (d) No legislator or employee shall assist any person or  
12 business or act in a representative capacity for a fee or other  
13 compensation to secure passage of a bill or to obtain a  
14 contract, claim, or other transaction or proposal in which the  
15 legislator or employee has participated or will participate as a  
16 legislator or employee, nor shall the legislator or employee  
17 assist any person or business or act in a representative  
18 capacity for a fee or other compensation on such bill, contract,  
19 claim, or other transaction or proposal before the legislature  
20 or agency of which the legislator or employee is an employee or  
21 legislator.



1 (e) No employee shall assist any person or business or act  
2 in a representative capacity before a state or county agency for  
3 a fee or other consideration on any bill, contract, claim, or  
4 other transaction or proposal involving official action by the  
5 agency if the employee has official authority over that state or  
6 county agency unless the employee has complied with the  
7 disclosure requirements of section 84-17.

8 (f) Subsections (a), (b), and (d) shall not apply to a  
9 task force member or the designee or representative of that task  
10 force member whose service as a task force member would not  
11 otherwise cause that member, designee, or representative to be  
12 considered an employee, if the task force member or the designee  
13 or representative of that task force member complies with the  
14 disclosure requirements under section 84-17.

15 (g) Subsections (a), (b), and (d) shall not apply to a  
16 member, or the designee or representative of a member, of a task  
17 force created by the legislature."

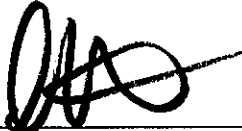
18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken.



1 SECTION 4. This Act shall take effect upon its approval  
2 and shall apply to task forces created before the effective date  
3 of this Act.

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INTRODUCED BY:

 BIR

JAN 24 2013



**Report Title:**

Ethics; Conflicts of Interests; Task Forces

**Description:**

Clarifies that the conflict of interest exception for members of task forces applies to members of task forces created by the legislature. Effective upon approval, and applies retroactively to task forces created on or before the bill's enactment.

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

