

JAN 18 2013

S.B. NO. 893

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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 the mortgage  
2 foreclosure task force was created by Act 162, Session Laws of  
3 Hawaii 2010. Act 162 was effective on June 3, 2010. Of the  
4 seventeen members of the task force, eleven of the members were  
5 from specific organizations, such as private organizations,  
6 trade associations, and government entities, whose  
7 representation was expressly required by Act 162. The remaining  
8 six members were administratively added to the task force in  
9 order for the task force to maintain a balanced representation  
10 of interests, as authorized under Act 162. The task force  
11 ceased to exist on June 30, 2012.

12           The legislature further finds that it was the legislature's  
13 intent in creating the mortgage foreclosure task force by Act  
14 162 to exempt the members of the task force from certain  
15 provisions of the State's code of ethics. Act 208, Session Laws  
16 of Hawaii 2012, exempted members of state task forces from some  
17 of the requirements, restrictions, and prohibitions of the code  
18 of ethics. Act 208, which was effective on July 3, 2012, did



1 not have a retroactive date to cover the entire existence of the  
2 mortgage foreclosure task force.

3 The purpose of this Act is to specify that a member or  
4 designee or representative of a member of a task force that  
5 existed on or after June 30, 2010, shall be exempt from certain  
6 provisions of the code of ethics.

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

9 "§84-14 **Conflicts of interests.** (a) No employee shall  
10 take any official action directly affecting:

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

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

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

21 A person whose position on a board, commission, or  
22 committee is mandated by statute, resolution, or executive order



1 to have particular qualifications shall only be prohibited from  
2 taking official action that directly and specifically affects a  
3 business or undertaking in which the person has a substantial  
4 financial interest; provided that the substantial financial  
5 interest is related to the member's particular qualifications.

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

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

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



1 or agency of which the legislator or employee is an employee or  
2 legislator.

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

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

17 (g) Subsections (a), (b), and (d) shall not apply to a  
18 member or the designee or representative of a member of any task  
19 force that existed on or after June 3, 2010."

20 SECTION 3. New statutory material is underscored.

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1 SECTION 4. This Act shall take effect upon its approval.

2 INTRODUCED BY: Chris Hill



# S.B. NO. 893

**Report Title:**

Mortgage Foreclosure Task Force; Exemptions; Code of Ethics

**Description:**

Exempts members and designees or representatives of members of task forces that existed on or after June 3, 2010, from certain provisions of the code of ethics. Specifies retroactive date of 6/3/2010 for exemption.

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

