

STAND. COM. REP. NO.

2969

Honolulu, Hawaii

MAR 19 2018

RE: H.B. No. 71  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred H.B. No. 71, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit a sitting Governor or county Mayor from maintaining outside employment or receiving emoluments, with certain, limited exceptions.

Your Committee received testimony in support of this measure from two individuals. Your Committee received comments on this measure from the Department of the Attorney General and Hawaii State Ethics Commission.

Your Committee finds that minimizing potential conflicts of interest of government officials is important for maintaining a strong trust relationship between government and the public. Your Committee further finds that when government officials maintain outside employment or receive certain benefits from outside sources while serving the public, the public's confidence in those officials' ability to put the public's interests first may be eroded. Therefore, your Committee finds that it is important to establish that a sitting Governor or county Mayor should be



prohibited from maintaining outside employment or receiving emoluments, with certain, limited exceptions.

However, your Committee notes the various concerns raised regarding the breadth of this measure's prohibitions. Your Committee has some concerns about this measure's potential impact on small business owners who may serve in governmental leadership positions. Under the proposal it may be quite difficult for a small business owner to sell the owner's business particularly within the sixty-day time frame established by the proposal. Moreover, your Committee has questions about the potential impact that this measure might have on the ability of worthy and qualified individuals to seek certain governmental offices given the economic impact this measure might have on individuals. Your Committee suggests that if your Committee on Judiciary decides to hear this measure that your Committee on Judiciary investigate these issues further.

Accordingly, your Committee has amended this measure by inserting an effective date of January 1, 2050, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 71, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 71, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,



---

DONNA MERCADO KIM, Chair



