

SB 2609

SD-1

**RELATING TO
FINANCIAL
DISCLOSURE
STATEMENTS**

A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURE STATEMENTS.

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

1 SECTION 1. Section 84-17, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) The financial disclosure statements of the following
4 persons shall be public records and available for inspection and
5 duplication[+]; provided that all amounts reported pursuant to
6 subsection (f) by non-paid volunteer members of state boards,
7 commissions, and agencies listed under paragraph (8) shall be
8 redacted:

9 (1) The governor, the lieutenant governor, the members of
10 the legislature, candidates for and delegates to the
11 constitutional convention, the trustees of the office
12 of Hawaiian affairs, and candidates for state elective
13 offices;

14 (2) The directors of the state departments and their
15 deputies, regardless of the titles by which the
16 foregoing persons are designated; provided that with
17 respect to the department of the attorney general, the



- 1 foregoing shall apply only to the attorney general and
2 the first deputy attorney general;
- 3 (3) The administrative director of the State;
- 4 (4) The president, the vice presidents, the assistant vice
5 presidents, the chancellors, members of the board of
6 regents, and the provosts of the University of Hawaii;
- 7 (5) The members of the board of education and the
8 superintendent, the deputy superintendent, the state
9 librarian, and the deputy state librarian of the
10 department of education;
- 11 (6) The administrative director and the deputy director of
12 the courts;
- 13 (7) The administrator and the assistant administrator of
14 the office of Hawaiian affairs; and
- 15 (8) The members of the following state boards,
16 commissions, and agencies:
- 17 (A) The board of directors of the agribusiness
18 development corporation established under section
19 163D-3;
- 20 (B) The board of agriculture established under
21 section 26-16;



- 1 (C) The state ethics commission established under
2 section 84-21;
- 3 (D) The Hawaii community development authority
4 established under section 206E-3;
- 5 (E) The Hawaiian homes commission established under
6 the Hawaiian Homes Commission Act of 1920, as
7 amended, and section 26-17;
- 8 (F) The board of directors of the Hawaii housing
9 finance and development corporation established
10 under section 201H-3;
- 11 (G) The board of land and natural resources
12 established under section 171-4;
- 13 (H) The state land use commission established under
14 section 205-1;
- 15 (I) The legacy land conservation commission
16 established under section 173A-2.4;
- 17 (J) The natural area reserves system commission
18 established under section 195-6;
- 19 (K) The board of directors of the natural energy
20 laboratory of Hawaii authority established under
21 section 227D-2;



- 1 (L) The board of directors of the Hawaii public
- 2 housing authority established under section
- 3 356D-3;
- 4 (M) The public utilities commission established under
- 5 section 269-2; and
- 6 (N) The commission on water resource management
- 7 established under section 174C-7."

8 SECTION 2. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2035.

11



S.B. NO. 2609
S.D. 1

Report Title:

Financial Disclosure Statements; Public Records; Inspection and Duplication; Redaction

Description:

Requires certain information on the financial disclosure statements deemed to be public records for non-paid volunteer members of state boards to be redacted. Effective 7/1/2035.
(SD1)

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

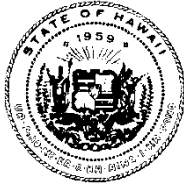


SB 2609

SD-1

TESTIMONY

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

March 15, 2018 at 9:00 a.m.
State Capitol, Room 309

In consideration of
S.B. 2609, S.D. 1
RELATING TO FINANCIAL DISCLOSURE STATEMENTS.

The HHFDC supports S.B. 2609, S.D. 1, which provides that financial disclosure statements redact amounts reported by non-paid volunteer members of certain public boards, including the Board of Directors of the HHFDC. The public disclosure requirement is a barrier to attracting and keeping qualified nominees for HHFDC Board positions.

Thank you for the opportunity to provide written comments on this bill.



HAWAII STATE ETHICS COMMISSION

State of Hawaii · Bishop Square, 1001 Bishop Street, ASB Tower 970 · Honolulu, Hawaii 96813
50th ANNIVERSARY 1968-2018

Committee: Committee on Labor & Public Employment
Bill Number: S.B. 2609 SD1
Hearing Date/Time: March 15, 2018, 9:00 a.m.
Re: Testimony of the Hawaii State Ethics Commission **OPPOSING**
S.B. 2609 SD1, Relating to Financial Disclosure Statements

Dear Chair Johanson and Committee Members:

The Hawaii State Ethics Commission (“Commission”) opposes S.B. 2609 SD1, which would make confidential certain financial information filed by members of high-profile boards and commissions.

The Commission supports legislation that promotes openness and transparency in government, and respectfully submits that this bill moves in the wrong direction. For members of very high-profile boards and commissions, such as the Board of Land and Natural Resources, the Hawaii Community Development Authority, and the Ethics Commission, the public would still be allowed to see that an individual held a financial interest in a particular entity but would have no way of knowing whether the interest was \$5,000 or \$5,000,000. The Commission is concerned that this will weaken public confidence in the actions of these individuals and their respective boards and commissions, which is contrary to the purpose of the state ethics laws.

The Commission recognizes the importance of recruiting and maintaining highly qualified board and commission members (and that some would-be members claim to be deterred by the financial disclosure requirement). On balance, however, the Commission believes that individuals serving on high-profile boards and commissions ought to file financial disclosure statements that are fully available to the public.

The Commission is, of course, able to administer the financial disclosure law as directed by the Legislature; however, the Commission notes that it has just launched its new electronic filing system for financial disclosures, and would have to re-program the system to account for the changes proposed by this bill. Our rough estimate is that this type of re-programming, using our existing outside vendor, would cost approximately \$6,000.

Additionally, if the Committee is inclined to approve this measure, the Commission respectfully requests that the effective date give the Commission sufficient time to implement these changes to its electronic filing system.

Thank you for your continuing support of the Commission's work and for considering the Commission's testimony on S.B. 2609 SD1.

Very truly yours,

Daniel Gluck
Executive Director and General Counsel



House Committee on Labor and Public Employment
Chair Aaron Johanson, Vice Chair Daniel Holt

03/15/2018 9:00 AM Room 309
SB2609 SD1 – Relating to Financial Disclosure Statements

TESTIMONY / OPPOSE
Corie Tanida, Executive Director, Common Cause Hawaii

Dear Chair Johanson, Vice Chair Holt, and members of the committee:

Common Cause Hawaii opposes SB2609 SD1 which would require the redaction of all amounts reported by non-paid volunteer members of specified state boards, commissions, and agencies.

Article XIV of our constitution requires all board and commission members who wield “significant discretionary or fiscal powers” to file financial disclosure statements to promote transparency and accountability.¹ It does not matter whether these board and commission members are non-paid volunteers, they still wield “significant discretionary or fiscal powers”, and redaction would render these public disclosures meaningless. The public is entitled to, and deserves full access to this information.

Common Cause Hawaii urges you to **defer SB2609 SD1**.

Thank you for the opportunity to offer testimony **opposing SB2609 SD1**.

¹ <http://lrbhawaii.org/con/conart14.html>



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HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Thursday, March 15, 2018, 9 AM, Conference Room 309
SB 2609, SD 1 Relating to Financial Disclosure Statements

TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Johanson and Committee Members:

The League of Women Voters opposes SB 2609, SD 1. This bill requires redaction of financial disclosures in public financial disclosure statements filed by uncompensated members of certain state boards.

Public financial disclosure statements are required - - and appropriate - - for members of state boards which can authorize private use of public property or spend public funds for private benefit. Obviously it is pointless to publicly disclose financial disclosure statements if the financial disclosures are redacted.

Thank you for the opportunity to submit testimony.

Randolph G. Moore
2445-A Makiki Heights Drive
Honolulu Hawaii 96822

Telephone (808) 778-8832

email makikimoore@gmail.com

February 16, 2018

The Honorable Brian Taniguchi, chair
and members of the Committee on Judiciary
The Senate
State Capitol
Honolulu, Hawaii

Dear Senator Taniguchi and members of the Committee:

Subject: SB 2609 (relating to financial disclosure statements)

I encourage your support of SB 2609 which would redact the amounts reported by unpaid volunteer members of enumerated state boards and commissions on their financial disclosure statements before the statements are made public.

The requirement for public disclosure of this information four years ago prompted the resignation of four of the 15 members of the board of regents of the University of Hawaii and has, I believed, deterred a number of prospective board members from applying for the position.

Redaction of amounts should increase the size and quality of the pool of candidates for state boards and commissions, to the benefit of the people of Hawaii.

Although I am a member of the board of regents, this testimony is submitted only on behalf of myself. The board as a body has not had the opportunity to review the SB 2609 and to discuss whether to take a position on it.

Mahalo for your consideration.



March 15, 2018

Rep. Aaron Ling Johanson
House Committee on Labor & Public Employment
State Capitol
Honolulu, HI 96813

Re: Senate Bill 2609, SD1

Chairman Johanson and Committee Members:

We ask you to kill this bill.

The value of interests members of these important and powerful boards hold is important to the public. Is it one share or 1,000 shares of a company? Is it 1/100th of a property or sole ownership of the land? It makes a big difference.

This bill moves away from transparency and could only frustrate public confidence in the actions of powerful boards and commissions.

Please do not allow the value of these interests to be hidden from the public.

Thank you,

Stirling Morita
President, Hawaii Chapter of the Society of Professional Journalists

SB 2609

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LATE

TESTIMONY