



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

June 21, 2019

**GOV. MSG. NO. 1222**

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirtieth State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirtieth State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 21, 2019, the following bill was signed into law:

HB169 HD1 SD2

RELATING TO THE STATE ETHICS CODE  
**ACT 120 (19)**

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

# A BILL FOR AN ACT

RELATING TO THE STATE ETHICS CODE.

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

1           SECTION 1. The purpose of this Act is to improve the  
2 administration of the state ethics code by clarifying provisions  
3 regarding:

- 4           (1) Gift disclosure statements;
- 5           (2) Retention of financial disclosure statements;
- 6           (3) Transcripts from contested case hearings; and
- 7           (4) Ethics training.

8           SECTION 2. Section 84-11.5, Hawaii Revised Statutes, is  
9 amended to read as follows:

10           " ~~[+]~~ §84-11.5 ~~[+]~~ Reporting of gifts. (a) Every legislator  
11 and employee shall file a gifts disclosure statement with the  
12 state ethics commission ~~[on]~~ no later than June 30 of each year  
13 if all the following conditions are met:

- 14           (1) The legislator or employee, or spouse or dependent  
15 child of a legislator or employee, received directly  
16 or indirectly from one source any gift or gifts valued  
17 singly or in the aggregate in excess of \$200, whether



1 the gift is in the form of money, service, goods, or  
2 in any other form;

3 (2) The source of the gift or gifts have interests that  
4 may be affected by official action or lack of action  
5 by the legislator or employee; and

6 (3) The gift is not exempted by subsection (d) from  
7 reporting requirements under this subsection.

8 (b) The report shall cover the period from June 1 of the  
9 preceding calendar year through [~~June 1~~] May 31 of the year of  
10 the report.

11 (c) The gifts disclosure statement shall contain the  
12 following information:

13 (1) A description of the gift;

14 (2) A good faith estimate of the value of the gift;

15 (3) The date the gift was received; and

16 (4) The name of the person, business entity, or  
17 organization from whom, or on behalf of whom, the gift  
18 was received.

19 (d) Excluded from the reporting requirements of this  
20 section are the following:

21 (1) Gifts received by will or intestate succession;



- 1           (2) Gifts received by way of distribution of any inter  
2           vivos or testamentary trust established by a spouse or  
3           ancestor;
- 4           (3) Gifts from a spouse, fiance, fiancée, any relative  
5           within four degrees of consanguinity or the spouse,  
6           fiance, or fiancée of such a relative. A gift from  
7           any such person is a reportable gift if the person is  
8           acting as an agent or intermediary for any person not  
9           covered by this paragraph;
- 10          (4) Political campaign contributions that comply with  
11          state law;
- 12          (5) Anything available to or distributed to the public  
13          generally without regard to the official status of the  
14          recipient;
- 15          (6) Gifts that, within thirty days after receipt, are  
16          returned to the giver or delivered to a public body or  
17          to a bona fide educational or charitable organization  
18          without the donation being claimed as a charitable  
19          contribution for tax purposes; and
- 20          (7) Exchanges of approximately equal value on holidays,  
21          birthday, or special occasions.



1 (e) Failure of a legislator or employee to file a gifts  
2 disclosure statement as required by this section shall be a  
3 violation of this chapter.

4 (f) This section shall not affect the applicability of  
5 section 84-11.

6 (g) For purposes of this section, "legislator or employee"  
7 includes any individual who was a legislator or employee for any  
8 portion of the period from June 1 of the preceding calendar year  
9 through May 31 of the year of the report."

10 SECTION 3. Section 84-17.5, Hawaii Revised Statutes, is  
11 amended by amending subsection (a) to read as follows:

12 "(a) All financial disclosure statements filed by a  
13 legislator, employee, or delegate to a constitutional convention  
14 shall be maintained by the state ethics commission [~~during the~~  
15 ~~term of office of the legislator, employee, or delegate and~~] for  
16 a period of six years [~~thereafter.~~] from the date of the  
17 financial disclosure statement's filing. Upon the expiration of  
18 the six-year period, the financial disclosure statement and all  
19 copies thereof shall be destroyed."

20 SECTION 4. Section 84-31, Hawaii Revised Statutes, is  
21 amended by amending subsection (c) to read as follows:



1           "(c) If after twenty days following service of the charge  
2 and further statement of alleged violation in accordance with  
3 this section, a majority of the members of the commission  
4 conclude that there is probable cause to believe that a  
5 violation of this chapter or of the code of ethics adopted by  
6 the constitutional convention has been committed, then the  
7 commission shall set a time and place for a hearing, giving  
8 notice to the complainant and the alleged violator. Upon the  
9 commission's issuance of a notice of hearing, the charge and  
10 further statement of alleged violation and the alleged  
11 violator's written response thereto shall become public records.  
12 The hearing shall be held within ninety days of the commission's  
13 issuance of a notice of hearing. If the hearing is not held  
14 within that ninety-day period, the charge and further statement  
15 of alleged violation shall be dismissed; provided that any delay  
16 that is at the request of, or caused by, the alleged violator  
17 shall not be counted against the ninety-day period. All parties  
18 shall have an opportunity to:

19           (1) [~~to be~~] Be heard[7];



1 (2) ~~[to subpoena]~~ Subpoena witnesses and require the  
2 production of any books or papers relative to the  
3 proceedings ~~[7]~~ i

4 (3) ~~[to be]~~ Be represented by counsel i and

5 (4) ~~[to have]~~ Have the right of cross-examination.

6 All hearings shall be in accordance with chapter 91. All  
7 witnesses shall testify under oath and the hearings shall be  
8 open to the public. The commission shall not be bound by the  
9 strict rules of evidence but the commission's findings must be  
10 based upon competent and substantial evidence. All testimony  
11 and other evidence taken at the hearing shall be recorded.

12 ~~[Copies of transcripts of such record shall be available only to~~  
13 ~~the complainant and the alleged violator at their own expense,~~  
14 ~~and the fees therefor shall be deposited in the State's general~~  
15 ~~fund.] "~~

16 SECTION 5. Section 84-43, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[+]§84-43[+] Ethics training course. (a) The state  
19 ethics commission shall establish, design, supervise, and  
20 conduct ethics training ~~[designed specifically]~~ for the officers  
21 and employees to whom this part applies.



- 1 (b) The ethics training course shall include:
- 2 (1) Explanations and discussions of the ethics laws,  
3 administrative rules, and relevant internal policies;
- 4 (2) Specific technical and legal requirements;
- 5 (3) The underlying purposes and principles of ethics laws;
- 6 (4) Examples of practical application of the laws and  
7 principles; and
- 8 (5) A question-and-answer participatory segment regarding  
9 common problems and situations.

10 The state ethics commission shall develop the methods and  
11 prepare any materials necessary to implement the course.

- 12 (c) The state ethics commission shall:
- 13 (1) Administer the ethics training course;
- 14 (2) Designate those of its legal staff who are to conduct  
15 the ethics training course; and
- 16 (3) Notify each officer or employee enumerated in section  
17 84-41 that their attendance in this course is  
18 mandatory.

19 ~~[(d) The ethics training course shall be held in January~~  
20 ~~of each year for those who have not attended the course~~  
21 ~~previously. The course shall last at least two hours in length.~~





1       ~~(e)]~~ (d) The state ethics commission may repeat the course  
2 as necessary to accommodate all persons who are required to  
3 attend.

4       ~~[(f)]~~ (e) Each state agency shall provide to the state  
5 ethics commission the names of those required to take the course  
6 in a timely manner and assist the commission by providing  
7 adequate meeting facilities for the ethics training course."

8       SECTION 6. This Act does not affect rights and duties that  
9 matured, penalties that were incurred, and proceedings that were  
10 begun before its effective date.

11       SECTION 7. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13       SECTION 8. This Act shall take effect on July 1, 2019.

APPROVED this 21 day of JUN , 2019



GOVERNOR OF THE STATE OF HAWAII



HB No. 169, HD 1, SD 2

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 24, 2019  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki  
Speaker  
House of Representatives

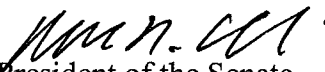



Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI'I**

Date: April 9, 2019  
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019.

  
President of the Senate

  
Clerk of the Senate