

JAN 18 2019

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# 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; and  
6           (3) Ethics training.

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

9           "~~[+]~~§84-11.5~~[+]~~ **Reporting of gifts.** (a) Every legislator  
10 and employee shall file a gifts disclosure statement with the  
11 state ethics commission ~~[en]~~ no later than June 30 of each year  
12 if all the following conditions are met:

- 13           (1) The legislator or employee, or spouse or dependent  
14 child of a legislator or employee, received directly  
15 or indirectly from one source any gift or gifts valued  
16 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;



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- 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 84-43, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           " ~~[†]~~§84-43~~[‡]~~ **Ethics training course.** (a) The state  
2 ethics commission shall establish, design, supervise, and  
3 conduct ethics training [~~designed specifically~~] for the officers  
4 and employees to whom this part applies.

5           (b) The ethics training course shall include:

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

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

16          (c) The state ethics commission shall:

- 17          (1) Administer the ethics training course;
- 18          (2) Designate those of its legal staff who are to conduct  
19                 the ethics training course; and



1           (3) Notify each officer or employee enumerated in section  
2           84-41 that their attendance in this course is  
3           mandatory.

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

8           ~~[(e)]~~ (d) The state ethics commission may repeat the  
9 course as necessary to accommodate all persons who are required  
10 to attend.

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

15           SECTION 5. This Act does not affect rights and duties that  
16 matured, penalties that were incurred, and proceedings that were  
17 begun before its effective date.

18           SECTION 6. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.



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1 SECTION 7. This Act shall take effect upon its approval.

2

INTRODUCED BY: *M. H. J.*  
By Request



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**Report Title:**

State Ethics Commission Package; State Ethics Code; Gift Disclosure Statements; Financial Disclosure Statements

**Description:**

Clarifies the State Ethics Code by clarifying provisions regarding gift disclosure statements, retention of financial disclosure statements, and ethics training.

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

