

STAND. COM. REP. NO.

397

Honolulu, Hawaii

FEB 18 2021

RE: S.B. No. 610
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 610 entitled:

"A BILL FOR AN ACT RELATING TO BOARDS AND COMMISSIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit a public member of any board or commission under the Department of Commerce and Consumer Affairs' purview from being engaged in the occupation that the board or commission regulates or having other direct legal or financial interests in the regulated occupation; and
- (2) Specify that public members represent the public interest.

Your Committee received testimony in support of this measure from 'Oia'i'o Condo Owners Coalition of Hawaii. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that public members of a board or commission should strictly represent the public interest. Accordingly, a public member of any board or commission administratively attached to it should be prohibited from being



engaged in or having a direct financial interest in the occupation that the board or commission regulates. Your Committee, however, heard the concerns raised in testimony that this measure may be overly broad and could unintentionally restrict well-qualified individuals from serving as public members on a board or commission. Accordingly, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by:

- (1) Clarifying that a public member shall not be associated with a member of the occupation that the board or commission regulates that results in a material conflict of interest, an appearance of impropriety, or a reasonable suspicion that the public member does not represent the public interest; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 610, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 610, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



