

JAN 19 2023

A BILL FOR AN ACT

RELATING TO FINANCIAL DISCLOSURES.

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

1 SECTION 1. Section 84-17, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§84-17 Requirements of disclosure.** (a) For the purposes
4 of this section, "disclosure period" refers to the period from
5 January 1 of the preceding calendar year to the time of the
6 filing of the employee's or legislator's disclosure of financial
7 interests.

8 (b) The disclosure of financial interest required by this
9 section shall be filed:

10 (1) By any person enumerated in subsection (c), except a
11 member of the legislature, between January 1 and
12 May 31 of each year;

13 (2) By a member of the legislature between January 1 and
14 January 31 of each year;

15 (3) Within thirty days of a person's election or
16 appointment to a state position enumerated in
17 subsection (c); or



1 (4) Within thirty days of separation from a state position
2 if a prior financial disclosure statement for the
3 position was not filed within the one hundred eighty
4 days preceding the date of separation;
5 provided that candidates for state elective offices or the
6 constitutional convention shall file the required statements no
7 later than twenty days prior to the date of the primary election
8 for state offices or the election of delegates to the
9 constitutional convention.

10 (c) The following persons shall file annually with the
11 state ethics commission a disclosure of financial interests:

12 (1) The governor, the lieutenant governor, the members of
13 the legislature, and delegates to the constitutional
14 convention; provided that delegates to the
15 constitutional convention shall only be required to
16 file initial disclosures;

17 (2) The directors and their deputies, the division chiefs,
18 the executive directors and the executive secretaries
19 and their deputies, the purchasing agents and the
20 fiscal officers, regardless of the titles by which the



- 1 foregoing persons are designated, of every state
2 agency and department;
- 3 (3) The permanent employees of the legislature and its
4 service agencies, other than persons employed in
5 clerical, secretarial, or similar positions;
- 6 (4) The administrative director of the State, and the
7 assistants in the office of the governor and the
8 lieutenant governor, other than persons employed in
9 clerical, secretarial, or similar positions;
- 10 (5) The hearings officers of every state agency and
11 department;
- 12 (6) The president, the vice presidents, assistant vice
13 presidents, the chancellors, and the provosts of the
14 University of Hawaii and its community colleges;
- 15 (7) The superintendent, the deputy superintendent, the
16 assistant superintendents, the complex area
17 superintendents, the state librarian, and the deputy
18 state librarian of the department of education;
- 19 (8) The administrative director and the deputy director of
20 the courts;



1 (9) The members of every state board or commission whose
2 original terms of office are for periods exceeding one
3 year and whose functions are not solely advisory;

4 (10) Candidates for state elective offices, including
5 candidates for election to the constitutional
6 convention, provided that candidates shall only be
7 required to file initial disclosures;

8 (11) The administrator and assistant administrator of the
9 office of Hawaiian affairs;

10 (12) The Hawaii unmanned aerial systems test site chief
11 operating officer[+];[+] and

12 (13) The members of the school facilities board appointed
13 by the governor.

14 (d) The financial disclosure statements of the following
15 persons shall be public records and available for inspection and
16 duplication:

17 (1) The governor, the lieutenant governor, the members of
18 the legislature, candidates for and delegates to the
19 constitutional convention, the trustees of the office
20 of Hawaiian affairs, and candidates for state elective
21 offices;



- 1 (2) The directors of the state departments and their
2 deputies, regardless of the titles by which the
3 foregoing persons are designated; provided that with
4 respect to the department of the attorney general, the
5 foregoing shall apply only to the attorney general and
6 the first deputy attorney general;
- 7 (3) The administrative director of the State;
- 8 (4) The president, the vice presidents, the assistant vice
9 presidents, the chancellors, members of the board of
10 regents, and the provosts of the University of Hawaii;
- 11 (5) The members of the board of education and the
12 superintendent, the deputy superintendent, the state
13 librarian, and the deputy state librarian of the
14 department of education;
- 15 (6) The administrative director and the deputy director of
16 the courts;
- 17 (7) The administrator and the assistant administrator of
18 the office of Hawaiian affairs; and
- 19 (8) The members of the following state boards,
20 commissions, and agencies:



S.B. NO. 188

- 1 (A) The board of directors of the agribusiness
2 development corporation established under section
3 163D-3;
- 4 (B) The board of agriculture established under
5 section 26-16;
- 6 (C) The state ethics commission established under
7 section 84-21;
- 8 (D) The Hawaii community development authority
9 established under section 206E-3;
- 10 (E) The Hawaiian homes commission established under
11 the Hawaiian Homes Commission Act of 1920, as
12 amended, and section 26-17;
- 13 (F) The board of directors of the Hawaii housing
14 finance and development corporation established
15 under section 201H-3;
- 16 (G) The board of land and natural resources
17 established under section 171-4;
- 18 (H) The state land use commission established under
19 section 205-1;
- 20 (I) The legacy land conservation commission
21 established under section 173A-2.4;



S.B. NO. 188

- 1 (J) The natural area reserves system commission
- 2 established under section 195-6;
- 3 (K) The board of directors of the natural energy
- 4 laboratory of Hawaii authority established under
- 5 section 227D-2;
- 6 (L) The board of directors of the Hawaii public
- 7 housing authority established under section
- 8 356D-3;
- 9 (M) The public utilities commission established under
- 10 section 269-2;
- 11 (N) The commission on water resource management
- 12 established under section 174C-7; and
- 13 (O) The stadium authority established under section
- 14 109-1.

15 (e) The information on the financial disclosure statements
16 shall be confidential, except as provided in subsection (d).
17 The commission shall not release the contents of the disclosures
18 except as may be permitted pursuant to this chapter. Any person
19 who releases any confidential information shall be subject to
20 section 84-31(c).



1 (f) Candidates for state elective offices, including
2 candidates for election to the constitutional convention, shall
3 only be required to disclose their own financial interests. The
4 disclosures of financial interests of all other persons
5 designated in subsection (c) shall state, in addition to the
6 financial interests of the person disclosing, the financial
7 interests of the person's spouse and dependent children. All
8 disclosures shall include:

9 (1) The source and amount of all income of \$1,000 or more
10 received, for services rendered, by the person in the
11 person's own name or by any other person for the
12 person's use or benefit during the preceding calendar
13 year and the nature of the services rendered; provided
14 that required disclosure under this paragraph for the
15 income source of the spouse or dependent child of a
16 person subject to subsection (d) shall be limited to
17 the name of the business or other qualifying source of
18 income, and need not include the income source's
19 address; provided further that other information that
20 may be privileged by law or individual items of
21 compensation that constitute a portion of the gross

- 1 income of the business or profession from which the
2 person derives income need not be disclosed;
- 3 (2) The amount and identity of every ownership or
4 beneficial interest held during the disclosure period
5 in any business having a value of \$5,000 or more or
6 equal to ten per cent of the ownership of the business
7 and, if the interest was transferred during the
8 disclosure period, the date of the transfer; provided
9 that an interest in the form of an account in a
10 federal or state regulated financial institution, an
11 interest in the form of a policy in a mutual insurance
12 company, or individual items in a mutual fund or a
13 blind trust, if the mutual fund or blind trust has
14 been disclosed pursuant to this paragraph, need not be
15 disclosed;
- 16 (3) Every officership, directorship, trusteeship, or other
17 fiduciary relationship held in a business during the
18 disclosure period, the term of office and the annual
19 compensation;
- 20 (4) The name of each creditor to whom the value of \$3,000
21 or more was owed during the disclosure period and the



1 original amount and amount outstanding; provided that
2 debts arising out of retail installment transactions
3 for the purchase of consumer goods need not be
4 disclosed;

5 (5) The street address and, if available, the tax map key
6 number, and the value of any real property in which
7 the person holds an interest whose value is \$10,000 or
8 more, and, if the interest was transferred or obtained
9 during the disclosure period, a statement of the
10 amount and nature of the consideration received or
11 paid in exchange for such interest, and the name of
12 the person furnishing or receiving the consideration;
13 provided that disclosure shall not be required of the
14 street address and tax map key number of the person's
15 residence;

16 (6) The names of clients assisted or represented before
17 state agencies, except in ministerial matters, for a
18 fee or compensation during the disclosure period and
19 the names of the state agencies involved; and



1 (7) The amount and identity of every creditor interest in
2 an insolvent business held during the disclosure
3 period having a value of \$5,000 or more.

4 (g) In addition to the disclosures required under
5 subsection (f), each member of the legislature shall also
6 disclose the name of any person that is subject to section 97-3
7 and that is:

8 (1) A business partner of the member;

9 (2) An employer of the member;

10 (3) An officer or director of the member's employer; or

11 (4) A client of the member, member's partner, or member's
12 employer, where the client provided at least \$5,000 of
13 income during the preceding calendar year.

14 As used in this subsection:

15 "Member" means a member of the legislature.

16 "Member's partner" means a member's spouse under chapter
17 572, civil union partner under chapter 572B, or reciprocal
18 beneficiary under chapter 572C.

19 [~~g~~] (h) Where an amount is required to be reported, the
20 person disclosing may indicate whether the amount is at least
21 \$1,000 but less than \$10,000; at least \$10,000 but less than



1 \$25,000; at least \$25,000 but less than \$50,000; at least
2 \$50,000 but less than \$100,000; at least \$100,000 but less than
3 \$150,000; at least \$150,000 but less than \$250,000; at least
4 \$250,000 but less than \$500,000; at least \$500,000 but less than
5 \$750,000; at least \$750,000 but less than \$1,000,000; or
6 \$1,000,000 or more. An amount of stock may be reported by
7 number of shares.

8 ~~(h)~~ (i) The state ethics commission shall provide a
9 method for filing financial disclosure statements. The
10 commission may require that financial disclosure statements be
11 filed electronically.

12 ~~(i)~~ (j) Failure of a legislator, a delegate to the
13 constitutional convention, or employee to file a disclosure of
14 financial interests as required by this section shall be a
15 violation of this chapter. Any legislator, delegate to a
16 constitutional convention, or employee who fails to file a
17 disclosure of financial interests when due shall be assessed an
18 administrative fine of \$75. The state ethics commission, upon
19 the expiration of the time allowed for filing, may post on its
20 website for public inspection a list of all persons who have
21 failed to file financial disclosure statements. The state



1 ethics commission shall notify a person, by in-person service,
2 electronic mail to the person's state electronic mail address,
3 or first class mail, of the failure to file, and the disclosure
4 of financial interests shall be submitted to the state ethics
5 commission not later than 4:30 p.m. on the tenth day after
6 notification of the failure to file has been mailed to the
7 person. If a disclosure of financial interests has not been
8 filed within ten days of the due date, an additional
9 administrative fine of \$10 for each day a disclosure remains
10 unfiled shall be added to the administrative fine. All
11 administrative fines collected under this section shall be
12 deposited in the State's general fund. Any administrative fine
13 for late filing shall be in addition to any other action the
14 state ethics commission may take under this chapter for
15 violations of the state ethics code. The state ethics
16 commission may waive any administrative fines assessed under
17 this subsection for good cause shown.

18 ~~(+j+)~~ (k) The chief election officer, upon receipt of the
19 nomination paper of any person seeking a state elective office,
20 including the office of delegate to the constitutional
21 convention, shall notify the state ethics commission of the name



1 of the candidate for state office and the date on which the
2 person filed the nomination paper. The state ethics commission,
3 upon the expiration of the time allowed for filing, shall
4 release to the public a list of all candidates who have failed
5 to file financial disclosure statements and shall immediately
6 assess a late filing penalty fee against those candidates of
7 \$50, which shall be collected by the state ethics commission and
8 deposited into the general fund. The state ethics commission
9 may investigate, initiate, or receive charges as to whether a
10 candidate's financial disclosure statement discloses the
11 financial interests required to be disclosed. After proceeding
12 in conformance with section 84-31, the state ethics commission
13 may issue a decision as to whether a candidate has complied with
14 section 84-17(f) and this decision shall be a matter of public
15 record."

16 SECTION 2. This Act does not affect rights and duties that
17 matured, penalties that were incurred, and proceedings that were
18 begun before its effective date.

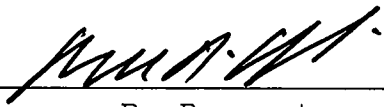
19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



S.B. NO. 188

1 SECTION 4. This Act shall take effect upon its approval.

2

INTRODUCED BY: 
By Request



S.B. NO. 188

Report Title:

State Ethics Commission Package; Financial Disclosures;
Legislators; Lobbyists; Relationships

Description:

Requires each state legislator to include within the legislator's disclosures of financial interest the names of certain lobbyists with whom the legislator has a relationship.

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

