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## A BILL FOR AN ACT

RELATING TO STANDARDS OF CONDUCT.

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

1           SECTION 1. Legislators are entrusted by the people of  
2 Hawaii to serve the public interest. Through the responsible  
3 use of this political power, legislators demonstrate their  
4 understanding and respect for those on whose behalf they have  
5 accepted this trust.

6           The 1978 Constitutional Convention believed that "public  
7 officers and employees must exhibit the highest standards of  
8 ethical conduct and that these standards come from the personal  
9 integrity of each individual in government." To enhance public  
10 confidence in government, the legislature established standards  
11 of conduct for legislators and employees through the enactment  
12 of chapter 84, Hawaii Revised Statutes, establishing the ethics  
13 commission, an independent body to administer and enforce the  
14 code of ethics.

15           However, with the increasing complexity of government and  
16 its broader intervention into private affairs, conflicts of  
17 interest have become almost inevitable for the state's part-time  
18 legislators, the majority of whom have employment unrelated to



1 their elective positions. Adoption of broader standards and  
2 transparency in the resolution of ethical conflicts is  
3 imperative both to enable the public to understand the  
4 intricacies of the legislative process and its effects on the  
5 legislators as well as to provide the legislators with guidance  
6 when confronted with the inevitable conflicts between their  
7 responsibility to the public and their need to pursue their  
8 employment outside the legislature.

9       The legislature further finds that it is in the public  
10 interest to establish additional ethics requirements for state  
11 officials and employees beyond just those in the legislative  
12 branch. To strengthen public confidence in their elected  
13 officials and provide guidance to state officials and employees,  
14 the legislature finds that an even higher and more transparent  
15 standard of conduct must be established. It is not enough to be  
16 in compliance with the State Ethics Code; state officials and  
17 employees must avoid even the appearance of conflicts between  
18 their public and private duties, and the public must be a part  
19 of this process.

20       The purpose of this Act is to uphold the public trust by  
21 increasing government transparency and accountability.



1 SECTION 2. Chapter 84, Hawaii Revised Statutes, is amended  
2 by adding five new sections to be appropriately designated and  
3 to read as follows:

4 **"§84-A House and senate ethics committees.** (a) Each  
5 house of the legislature shall establish a bipartisan ethics  
6 committee. Each legislative ethics committee shall consist of  
7 three members of the respective house; provided that one shall  
8 be a member of the minority party and two shall be members of  
9 the majority party. Each house shall establish its ethics  
10 committee by rule.

11 (b) Each legislative ethics committee shall:

12 (1) Establish ethics rules for members and employees of  
13 its respective house;

14 (2) Review ethics issues as requested by the speaker of  
15 the house for the house ethics committee, and the  
16 president of the senate for the senate ethics  
17 committee;

18 (3) Approve official travel by legislators and legislative  
19 employees paid for by nongovernmental entities;  
20 provided such travel is deemed necessary for state  
21 purposes and is not provided on, nor is likely to be  
22 perceived by the public as being provided on, a quid



1 pro quo basis. Such travel may be disapproved by the  
2 respective ethics committee based on any other ethical  
3 consideration it deems necessary to the ethical  
4 operation of the house to which it is attached; and

5 (4) Provide legislative disclosure forms for each member  
6 and, if deemed necessary, employee of the respective  
7 house to complete. These forms shall require  
8 information not already filed with the state ethics  
9 commission, including:

10 (A) To the fullest extent permitted by the Code of  
11 Professional Responsibility, the names of clients  
12 represented by any legislator who practices law;  
13 and

14 (B) Negotiations for private sector employment.

15 **§84-B House and senate disclosure form.** At least once a  
16 year, each member and, if deemed necessary, employee of the  
17 senate and house of representatives shall complete a legislative  
18 disclosure form provided by their respective ethics committees,  
19 which shall be a public record and available for inspection and  
20 duplication.

21 **§84-C Legislative interns; compensation from private**  
22 **employers.** No person shall receive any compensation from a



1 private employer for the person's internship with the  
2 legislature.

3 **§84-D Gifts to legislators and state employees.** (a) No  
4 legislator or employee shall receive any ticket to a sporting or  
5 entertainment event without paying the full purchase price of  
6 the ticket.

7 (b) Every legislator or employee traveling on a private  
8 jet shall pay the full charter rate.

9 (c) Before a legislator or employee may accept  
10 transportation or lodging for official travel from any  
11 nongovernmental entity, a legislator or legislative employee  
12 shall obtain approval from the ethics committee attached to the  
13 legislator's or legislative employee's respective house of the  
14 legislature pursuant to section 84-A and other employees shall  
15 obtain approval from the state ethics commission.

16 **§84-E Gifts from lobbyists and other persons interested in**  
17 **influencing government actions; prohibition.** (a) Except as  
18 otherwise provided by subsection (c), no legislator or employee  
19 during the period specified in this subsection shall solicit,  
20 accept, or receive, directly or indirectly, any gift, whether in  
21 the form of money, service, loan, travel, entertainment,  
22 hospitality, thing, promise, or in any other form, from:



- 1       (1) A lobbyist;
- 2       (2) A person who employs or contracts a lobbyist;
- 3       (3) A person who spends \$750 or more of the person's or  
4       any other person's money in any six-month period for  
5       the purpose of attempting to influence government  
6       action; or
- 7       (4) A principal of a person listed under paragraph (2) or  
8       (3).

9       The period during which the solicitation, acceptance, or receipt  
10      of a gift is prohibited shall be any period for which the  
11      lobbyist or person listed under paragraph (2) or (3) is required  
12      to file a report pursuant to section 97-3 plus an additional  
13      twelve months thereafter.

14      (b) The prohibition of subsection (a) shall not apply to  
15      the following:

- 16      (1) A gift from a lobbyist, person listed under subsection  
17      (a)(2) or (3), or principal identified in subsection  
18      (a)(4) of a type described under section 84-11.5(d);
- 19      (2) A lei that the legislator or employee reasonably  
20      believes has a value of not more than \$20; or
- 21      (3) A gift of flowers, food, beverage, tableware,  
22      decorations, and entertainment for use to celebrate



1           the opening day of a regular session of the  
2           legislature.

3           (c) The prohibition of this section is additional to that  
4 of section 84-11.

5           (d) For the purpose of this section, "principal of a  
6 person listed under subsection (a)(2) or (3)" means, if the  
7 "person" so listed is a business or other entity, a director,  
8 officer, partner, sole proprietor, registered agent, manager,  
9 fiduciary, beneficiary, or person with control of the entity."

10           SECTION 3. Chapter 97, Hawaii Revised Statutes, is amended  
11 by adding two new sections to be appropriately designated and to  
12 read as follows:

13           "§97-A Prohibition on gift to legislator or state  
14 employee. No lobbyist or other person from whom a legislator or  
15 employee is prohibited from soliciting, accepting, or receiving  
16 a gift under section 84-E shall offer or donate such a gift to  
17 the legislator or employee.

18           For purposes of this section, "employee" means the same as  
19 defined under section 84-3.

20           §97-B Spouses of legislators; lobbying prohibited. No  
21 spouse of a current member of the legislature shall act as a  
22 lobbyist."



1 SECTION 4. Section 84-3, Hawaii Revised Statutes, is  
2 amended by adding three new definitions to be appropriately  
3 inserted and to read as follows:

4 "Legislative employee" means an employee of the  
5 legislative branch.

6 "Lobbyist" means the same as defined under section 97-1.

7 "Person" means the same as defined under section 97-1."

8 SECTION 5. Section 84-11, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 **"§84-11 Gifts [-]; prohibition when conflict of interest.**

11 No legislator or employee shall solicit, accept, or receive,  
12 directly or indirectly, any gift, whether in the form of money,  
13 service, loan, travel, entertainment, hospitality, thing, or  
14 promise, or in any other form, under circumstances in which it  
15 can reasonably be inferred that the gift is intended to  
16 influence the legislator or employee in the performance of the  
17 legislator's or employee's official duties or is intended as a  
18 reward for any official action on the legislator's or employee's  
19 part."

20 SECTION 6. Section 84-11.5, Hawaii Revised Statutes, is  
21 amended as follows:

22 1. By amending subsection (d) to read:



1           "(d) Excluded from the reporting requirements of this  
2 section are the following:

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



1        (7) Gifts from an out-of-state government or trade or  
 2        goodwill mission that, within thirty days after  
 3        receipt, are donated to the state government; and

4        [+7] (8) Exchanges of approximately equal value on  
 5        holidays, birthday, or special occasions."

6        2. By amending subsection (f) to read:

7        "(f) This section shall not affect the applicability of  
 8        section 84-11[-] or 84-E."

9        SECTION 7. Section 84-18, Hawaii Revised Statutes, is  
 10        amended by amending subsection (b) to read as follows:

11        "(b) No former legislator, within [~~twelve months~~] two  
 12        years after termination of the former legislator's employment,  
 13        shall represent any person or business for a fee or other  
 14        consideration, on matters in which the former legislator  
 15        participated as a legislator or on matters involving official  
 16        action by the legislature."

17        SECTION 8. Section 97-3, Hawaii Revised Statutes, is  
 18        amended to read as follows:

19        "**§97-3 Contributions and expenditures; statement.** (a)  
 20        The following persons shall file a statement of expenditures  
 21        with the state ethics commission on March 31, May 31, and  
 22        January 31 of each year:



- 1           (1) Each lobbyist.
- 2           (2) Each person who spends \$750 or more of the person's or  
3           any other person's money in any six-month period for  
4           the purpose of attempting to influence legislative or  
5           administrative action or a ballot issue by  
6           communicating or urging others to communicate with  
7           public officials; provided that any amounts expended  
8           for travel costs, including incidental meals and  
9           lodging, shall not be included in the tallying of the  
10          \$750.
- 11          (3) Each person who employs or contracts for the services  
12          of one or more lobbyists, whether independently or  
13          jointly with other persons. If the person is an  
14          industry, trade, or professional association, only the  
15          association is the employer of the lobbyist.
- 16          (b) The March 31 report shall cover the period from  
17          January 1 through the last day of February. The May 31 report  
18          shall cover the period from March 1 through April 30. The  
19          January 31 report shall cover the period from May 1 through  
20          December 31 of the previous year.
- 21          (c) The statement shall contain the following information:



- 1           (1) The name and address of each person with respect to  
2                   whom expenditures for the purpose of lobbying in the  
3                   total sum of \$25 or more per day was made by the  
4                   person filing the statement during the statement  
5                   period and the amount or value of such expenditure;
- 6           (2) The name and address of each person with respect to  
7                   whom expenditures for the purpose of lobbying in the  
8                   aggregate of \$150 or more was made by the person  
9                   filing the statement during the statement period and  
10                  the amount or value of such expenditures;
- 11          (3) The total sum or value of all expenditures for the  
12                  purpose of lobbying made by the person filing the  
13                  statement during the statement period in excess of  
14                  \$750 during the statement period;
- 15          (4) The name and address of each person making  
16                  contributions to the person filing the statement for  
17                  the purpose of lobbying in the total sum of \$25 or  
18                  more during the statement period and the amount or  
19                  value of such contributions; [~~and~~]
- 20          (5) The subject area of the legislative and administrative  
21                  action which was supported or opposed by the person



1 filing the statement during the statement period[-];

2 and

3 (6) The receipt or expenditure of any money for the  
4 purpose of influencing the election or defeat of any  
5 candidate for an elective office or for the passage or  
6 defeat of any proposed measure at any special or  
7 general election.

8 [~~(d) The receipt or expenditure of any money for the~~  
9 ~~purpose of influencing the election or defeat of any candidate~~  
10 ~~for an elective office or for the passage or defeat of any~~  
11 ~~proposed measure at any special or general election is excluded~~  
12 ~~from the reporting requirement of this section.] "~~

13 SECTION 9. Section 97-7, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15 "(a) Any person who:

16 (1) Wilfully fails to file any statement or report  
17 required by this chapter;

18 (2) Wilfully files a statement or report containing false  
19 information or material omission of any fact;

20 (3) Engages in activities prohibited by section 97-5[+] or  
21 97-A; or



1 (4) Fails to provide information required by section 97-2  
 2 or 97-3;  
 3 shall be subject to an administrative fine imposed by the  
 4 commission that shall not exceed \$500 for each violation of this  
 5 chapter. All fines collected under this section shall be  
 6 deposited into the general fund."

7 SECTION 10. In codifying the new sections added by  
 8 sections 2 and 3 of this Act, the revisor of statutes shall  
 9 substitute appropriate section numbers for the letters used in  
 10 designating the new sections in this Act.

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

13 SECTION 12. This Act shall take effect upon its approval.

14

INTRODUCED BY:

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**Report Title:**

Ethics; Legislators; State Officials and Employees; Lobbyists

**Description:**

Establishes ethics requirements for legislators, state officials and employees, and lobbyists.

