## A BILL FOR AN ACT

RELATING TO THE CODE OF ETHICS.

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

1 SECTION 1. Policy makers, state agency leaders, candidates 2 for state elective offices, and members of state boards and commissions are required to file annual financial disclosure 3 statements with the state ethics commission. The financial 4 5 disclosure statements reveal potential conflicts of interest. 6 However, only the financial disclosure statements of the 7 governor, lieutenant governor, legislators, and state department 8 directors and their deputies are public records and available 9 for inspection and duplication. Financial disclosure statements 10 are not publicly available for the majority of the members of 11 very powerful state boards and commissions. These boards and commissions shape the political, economic, social, 12 environmental, and cultural fabric of society in Hawaii. 13 14 The purpose of this Act is to further ensure transparency and accountability of individuals serving in state government by 15 making the financial disclosure statements of certain state 16

board and commission members public documents and available for

18 public inspection.

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1 Additionally, this Act clarifies the fair treatment law as 2 applicable to legislators and task force members by separating 3 permissible actions and required financial disclosures applicable to task force members from those applicable to 4 5 legislators and making clear that legislators are not prohibited 6 from taking action in the exercise of the legislator's 7 legislative functions. 8 SECTION 2. Section 84-13, Hawaii Revised Statutes, is 9 amended to read as follows: 10 "§84-13 Fair treatment. (a) No legislator or employee 11 shall use or attempt to use the legislator's or employee's 12 official position to secure or grant unwarranted privileges, exemptions, advantages, contracts, or treatment, for oneself or 13 others; including but not limited to the following: 14 15 (1)Seeking other employment or contract for services for oneself by the use or attempted use of the 16 **17** legislator's or employee's office or position. Accepting, receiving, or soliciting compensation or 18 (2) 19 other consideration for the performance of the 20 legislator's or employee's official duties or

responsibilities except as provided by law.

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- (3) Using state time, equipment or other facilities for
   private business purposes.
- 3 (4) Soliciting, selling, or otherwise engaging in a
  4 substantial financial transaction with a subordinate
  5 or a person or business whom the legislator or
  6 employee inspects or supervises in the legislator's or
  7 employee's official capacity.
- 8 (b) Nothing [herein] in this section shall be construed to 9 prohibit a legislator from introducing bills and resolutions, 10 [or to prevent a person-from serving on a task force or] from serving on [a task force committee,] committees, or from making 11 statements or taking [official] action [as a legislator, or a 12 13 task force member or a task force member's designee or 14 representative.] in the exercise of the legislator's legislative functions. Every legislator[, or task force member or designee 15 or representative of a task force member] shall file a full and 16 17 complete public disclosure of the nature and extent of the 18 interest or transaction which the legislator [or task force 19 member or task force member's designee or representative] 20 believes may be affected by the [legislator's or task force 21 member's official action.] legislative action.

1	(c) Nothing in this section shall be construed to prevent			
2	a person from serving on a task force or a task force committee,			
3	or from making statements or taking official action as a task			
4	force member or a task force member's designee or			
5	representative. Every task force member or designee or			
6	representative of a task force member shall file a full and			
7	complete public disclosure of the nature and extent of the			
8	interest or transaction which the task force member or task			
9	force member's designee or representative believes may be			
10	affected by the task force member's official action."			
11	SECTION 3. Section 84-17, Hawaii Revised Statutes, is			
12	amended by amending subsection (d) to read as follows:			
13	"(d) The financial disclosure statements of the following			
14	persons shall be public records and available for inspection and			
15	duplication:			
16	(1) The governor, the lieutenant governor, the members of			
17	the legislature, candidates for and delegates to the			
18	constitutional convention, the trustees of the office			
19	of Hawaiian affairs, and candidates for state elective			
20	offices;			
21	(2) The directors of the state departments and their			
22	deputies, regardless of the titles by which the			

1		foregoing persons are designated; provided that with
2		respect to the department of the attorney general, the
3		foregoing shall apply only to the attorney general and
4		the first deputy attorney general;
5	(3)	The administrative director of the State;
6	(4)	The president, the vice presidents, the assistant vice
7		presidents, the chancellors, board of regents, and the
8		provosts of the University of Hawaii;
9	(5)	The members of the board of education and the
10		superintendent, the deputy superintendent, the state
11		librarian, and the deputy state librarian of the
12		department of education;
13	(6)	The administrative director and the deputy director of
14		the courts; [and]
15	(7)	The administrator and the assistant administrator of
16		the office of Hawaiian affairs[+]; and
17	<u>(8)</u>	The members of the following state boards or
18		commissions:
19		(A) Board of directors of the agribusiness
20		development corporation established under section
21		163D-3;

1	<u>(B)</u>	Board of agriculture established under section
2		<u>26-16;</u>
3	<u>(C)</u>	State ethics commission established under section
4		84-21;
5	<u>(D)</u>	Hawaii community development authority
6.		established under section 206E-3;
7	<u>(E)</u>	Hawaiian homes commission established under
8		section 26-17;
9	<u>(F)</u>	Board of directors of the Hawaii housing finance
10		and development corporation established under
11		section 201H-3;
12	(G)	Board of land and natural resources established
13		under section 171-4;
14	<u>(H)</u>	Land use commission established under section
15		205-1;
16	<u>(I)</u>	Legacy land conservation commission established
17		under section 173A-2.4;
18	<u>(J)</u>	Natural area reserves system commission
19		established under section 195-6;
20	(K)	Board of directors of the natural energy
21		laboratory of Hawaii authority established under
22		section 227D-2;

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1	<u>(L)</u>	Board of directors of the Hawaii public housing
2		authority established under section 356D-3;
3	(M)	Board of directors of the public land development
4		corporation established under section 171C-3;
5	(N)	Public utilities commission established under
6		section 269-2;
7	(0)	Commission on water resource management
8		established under section 174C-7;
9	<u>(P)</u>	Hawaii labor relations board established under
10		section 89-5; and
11	<u>(Q)</u>	Labor and industrial relations appeals board
12		established under section 371-4.
13	SECTION 4	. Statutory material to be repealed is bracketed
14	and stricken.	New statutory material is underscored.
15	SECTION 5	. This Act shall take effect upon its approval.

### Report Title:

Financial Disclosure Statements; Boards and Commissions; Public Documents

### Description:

Makes the financial disclosure statements of members of state boards and commissions available for public inspection and duplication. Clarifies the fair treatment law by separating out certain limitations placed on task force members from those placed on legislators and makes clear that legislators are not prohibited from taking action in the exercise of the legislator's legislative functions. (SB66 HD2)

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