STAND. COM. REP. NO. 2001

Honolulu, Hawaii

JAN 2 9 2016

RE: H.B. No. 813

H.D. 3 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred H.B. No. 813, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO THE CODE OF ETHICS,"

begs leave to report as follows:

The purpose and intent of this measure is to clearly establish:

- (1) That in accordance with Article III, section 7, of the Hawaii State Constitution, legislators are exempt from the fair treatment law when exercising legislative functions; and
- (2) That the fair treatment law exemption, the financial disclosure statements, and the phrase "official action" as applied to task force members, are distinct and separate from similar provisions, and the phrase "official action" as applied to legislators.

Your Committee received testimony in support of this measure from the Hawaii State Ethics Commission, Common Cause Hawaii, and League of Woman Voters of Hawaii.

Your Committee finds that during the Regular Session of 2012, the Legislature amended the Code of Ethics to exempt task force members from the fair treatment law. The amendment sought to duplicate the constitutionally based fair treatment exemption for

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legislators by including task force members, but with additional language to maintain a distinction between legislators and task force members. The State Ethics Commission testified that the amendment created some confusion as to the application of the amendment to legislators, and that prior to the amendments made in 2012, the exemption from the fair treatment law for legislators who exercised their legislative functions was consistent with the Hawaii State Constitution.

Your Committee finds that the distinction between legislators and task force members in the application of the fair treatment exemption of the Code of Ethics must be clear. Accordingly this measure reinstates the fair treatment exemption for legislators as it existed prior to 2012 and adds a separate paragraph to address the fair treatment law exemption and financial disclosure statement requirement for task force members.

Your Committee has amended this measure by inserting an effective date of January 1, 2017.

As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 813, H.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 813, H.D. 3, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Judiciary and Labor,

GILBERT S.C. KEITH-AGARAN, Chair

## The Senate Twenty-Eighth Legislature State of Hawai'i

## Record of Votes Committee on Judiciary and Labor JDL

Bill / Resolution No.:*	Committee Referral:			Date:	
HB 813 HD 3	JDL			1/21/16	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)		/			
SHIMABUKURO, Maile S.L. (VC)		/			
GABBARD, Mike					~
KAHELE, Gilbert					U
KIM, Donna Mercado					V
THIELEN, Laura H.		/			
SLOM, Sam		/			
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TOTAL		4			3
Recommendation:  Adopted  Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original /	Yellow eport Clerk's Office D		Pink Drafting Agend		

\*Only one measure per Record of Votes