H.B. NO.  $^{2120}_{H.D. 2}$ 

### A BILL FOR AN ACT

RELATING TO THE STATE ETHICS CODE.

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

1	SECTION 1. Section 84-14, Hawaii Revised Statutes, is
2	amended to read as follows:
3	"§84-14 Conflicts of interests. (a) No <u>legislator or</u>
4	employee shall take any official action directly affecting:
5	(1) A business or other undertaking in which the
6	legislator or employee has a substantial financial
7	interest; or
8	(2) A private undertaking in which the <u>legislator or</u>
9	employee is engaged as legal counsel, advisor,
10	consultant, representative, or other agency capacity.
11	A department head who is unable to disqualify the
12	department head's self on any matter described in paragraphs (1)
13	and (2) will not be in violation of this subsection if the
14	department head has complied with the disclosure requirements of
15	section 84-17.

16 A person whose position on a board, commission, or17 committee is mandated by statute, resolution, or executive order



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1 to have particular qualifications shall only be prohibited from 2 taking official action that directly and specifically affects a 3 business or undertaking in which the person has a substantial 4 financial interest; provided that the substantial financial 5 interest is related to the member's particular qualifications.

6 (b) No <u>legislator or</u> employee shall acquire financial
7 interests in any business or other undertaking which the
8 <u>legislator or</u> employee has reason to believe may be directly
9 involved in official action to be taken by the <u>legislator or</u>
10 employee.

(c) No legislator or employee shall assist any person or business or act in a representative capacity before any state or county agency for a contingent compensation in any transaction involving the State.

(d) No legislator or employee shall assist any person or business or act in a representative capacity for a fee or other compensation to secure passage of a bill or to obtain a contract, claim, or other transaction or proposal in which the legislator or employee has participated or will participate as a legislator or employee, nor shall the legislator or employee assist any person or business or act in a representative



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capacity for a fee or other compensation on such bill, contract,
 claim, or other transaction or proposal before the legislature
 or agency of which the legislator or employee is an employee or
 legislator.

(e) No employee shall assist any person or business or act in a representative capacity before a state or county agency for a fee or other consideration on any bill, contract, claim, or other transaction or proposal involving official action by the agency if the employee has official authority over that state or county agency unless the employee has complied with the disclosure requirements of section 84-17.

12 (f) Nothing in this section shall be construed to prevent13 a person from:

14 (1) Serving on a task force; or

15 (2) Making statements or taking official action as a task
16 force member or a task force member's designee or
17 representative;

18 provided that every task force member or designee or 19 representative of a task force member shall publicly disclose 20 the nature and extent of any interest or transaction that the 21 task force member or task force member's designee or



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1	representative believes may be affected by the task force
2	member's official action. The state ethics commission shall
3	adopt rules pursuant to chapter 91 to effectuate the purposes of
4	this subsection.
5	(g) Nothing in this section shall be construed to prohibit
6	a legislator from introducing bills and resolutions, from
7	serving on a committee, or from making statements or taking
8	action in the exercise of the legislator's legislative
9	functions."
10	SECTION 2. This Act does not affect rights and duties that
11	matured, penalties that were incurred, and proceedings that were
12	begun before its effective date.
13	SECTION 3. New statutory material is underscored.
14	SECTION 4. This Act shall take effect on January 1, 2050.



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**Report Title:** State Ethics Code; Conflicts of Interests; Legislators

#### Description:

Amends certain parts of the conflicts of interests law of the state ethics code to include members of the legislature. Clarifies that the conflicts of interests law does not prohibit a legislator from introducing legislation, serving on a committee, making statements, or taking action in the exercise of their legislative functions. Effective 1/1/2050. (HD2)

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

