

JAN 22 2021

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# A BILL FOR AN ACT

RELATING TO BOARDS AND COMMISSIONS.

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

1           SECTION 1. The legislature finds that public members of  
2 boards and commissions more adequately represent the public  
3 interest when those members have no association with the  
4 profession or any relationship with a member of the profession  
5 that the board or commission regulates. Public members are not  
6 expected or required to be experienced or an expert in the  
7 regulated profession. This unique and important role of the  
8 public member mitigates the anticompetitive effects of a board  
9 or commission's actions, which may occur when the board or  
10 commission is dominated by active market participants.

11           The legislature further finds that well-informed and  
12 engaged public members bring several advantages to regulation  
13 including:

14           (1) Reducing the potential for board decisions which favor  
15           the industry over the public;



- 1           (2) Reducing the potential for decisions that
- 2                   illegitimately favor one fraction of an industry over
- 3                   another;
- 4           (3) Encouraging public participation in government
- 5                   decision-making;
- 6           (4) Enhancing public confidence and trust in government;
- 7           (5) Expanding the range of skills, talent, training, and
- 8                   perspectives available for higher quality and creative
- 9                   board action;
- 10          (6) Raising the level of board discussions towards closer
- 11                   scrutiny of an industry; and
- 12          (7) Strengthening the board's credibility in its decision-
- 13                   making and advocacy.

14          Accordingly, the purpose of this Act is to:

- 15          (1) Prohibit a public member of any board or commission
- 16                   under department of commerce and consumer affair's
- 17                   purview from being engaged in the occupation that the
- 18                   board or commission regulates or having other direct
- 19                   legal or financial interests in the regulated
- 20                   occupation; and



1           (2) Specify that public members represent the public  
2           interest.

3           SECTION 2. Section 26-9, Hawaii Revised Statutes, is  
4 amended by amending subsection (d) to read as follows:

5           "(d) Except as otherwise provided by this chapter, the  
6 functions, duties, and powers, subject to the administrative  
7 control of the director of commerce and consumer affairs, and  
8 the composition of each board and commission shall be as  
9 provided by law. A public member of any board or commission  
10 listed in subsection (c) shall not:

- 11           (1) Be engaged in the occupation that the board regulates;
- 12           (2) Be associated by legal contract with a member of the  
13           occupation that the board regulates, except as a  
14           consumer of the services provided by the practitioner  
15           of the occupation; or
- 16           (3) Have a direct financial interest in the occupation  
17           that the board regulates.

18 The purpose of a public member is to represent the public  
19 interest."

20           SECTION 3. New statutory material is underscored.

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# S.B. NO. 610

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

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INTRODUCED BY: Rosalyn H. Beck



# S.B. NO. 610

**Report Title:**

Department of Commerce and Consumer Affairs; Boards; Commission;  
Public Member

**Description:**

Prohibits a public member of any board or commission under DCCA's purview from being engaged in the occupation that the board or commission regulates or having other direct legal or financial interests in the regulated occupation. Specifies that public members represent the public interest.

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