
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 prohibit a
15 public member of any board or commission under the department of
16 commerce and consumer affair's purview from:

- 17 (1) Being engaged in the occupation that the board or
- 18 commission regulates;
- 19 (2) Being associated with a member of the occupation that
- 20 the board or commission regulates that results in a
- 21 material conflict of interest, an appearance of



1 impropriety, or a reasonable suspicion that the public
 2 member does not represent the public interest; or
 3 (3) Having a direct financial interest in the regulated
 4 occupation.

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

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

- 13 (1) Be engaged in the occupation that the board regulates;
- 14 (2) Be associated with a member of the occupation that the
 15 board or commission regulates that results in a
 16 material conflict of interest, an appearance of
 17 impropriety, or a reasonable suspicion that the public
 18 member does not represent the public interest; or
- 19 (3) Have a direct financial interest in the occupation
 20 that the board regulates."

21 SECTION 3. New statutory material is underscored.



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



Report Title:

Department of Commerce and Consumer Affairs; Boards;
Commissions; 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; being associated with a member of the occupation that the board or commission regulates that results in a material conflict of interest, an appearance of impropriety, or a reasonable suspicion that the public member does not represent the public interest; or having a financial interest in the regulated occupation. (SD1)

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

