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# A BILL FOR AN ACT

RELATING TO NEPOTISM.

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

1 SECTION 1. Chapter 84, Hawaii Revised Statutes, is amended  
2 by adding a new section to be appropriately designated and to  
3 read as follows:

4 "§84- Nepotism; prohibition. (a) No employee shall:

- 5 (1) Appoint, hire, promote, or retain a relative or  
6 household member to, or demote, discharge, or  
7 terminate a relative or household member from; or  
8 (2) Participate in an interview or discussion regarding  
9 the appointment, hiring, promotion, or retention of a  
10 relative or household member to, or the demotion,  
11 discharge, or termination of a relative or household  
12 member from,

13 a paid position in the employee's employing agency; provided  
14 that this subsection shall not prohibit an employee from  
15 performing ministerial acts that may impact the relative or  
16 household member if those acts are a part of the normal job  
17 functions of the employee.



1       (b) No employee shall supervise a relative or household  
2 member unless the employee:

3       (1) Has a physical impairment requiring the employment of  
4 a particular relative or household member; provided  
5 that the employee discloses the prospective employment  
6 to the state ethics commission before the appointment  
7 or hire is made; or

8       (2) Disqualifies oneself from taking any official action  
9 directly affecting the relative or household member.

10       (c) No employee shall award a contract to or otherwise  
11 take official action on a contract with a business if the  
12 employee knows or reasonably should know that the employee's  
13 relative or household member is an executive officer of or holds  
14 a substantial ownership interest in that business.

15       (d) Notwithstanding the prohibitions in this section, if  
16 an employee who is a supervisor or executive director is unable  
17 to waive or disengage from completing their official duties or  
18 from taking official action and is legally required to take  
19 action that directly impacts a relative or household member  
20 receiving an award or other official action on a contract



1 described in subsection (c), the employee shall not be in  
2 violation of this section if the employee:

3 (1) Has complied with the disclosure requirements of  
4 section 84-17; and

5 (2) Posts a notice of intent to award the contract and  
6 files a copy of the notice with the state ethics  
7 commission at least five days before awarding the  
8 contract. If the posting and filing of the award in  
9 advance is otherwise prohibited by law, notice shall  
10 be posted and filed as soon as practicable. Every  
11 notice of intent shall describe the employee's  
12 relationship with the relative or household member,  
13 the relative or household member's relationship with  
14 the entity receiving the contract, action taken and to  
15 be taken affecting the relative or household member's  
16 business, and the dollar value of the contract.

17 (e) Upon application, the state ethics commission may  
18 grant an exception to an employee or agency that is unable to  
19 comply with this section for good cause, including a  
20 demonstrated lack of qualified personnel or applicants.



1       (f) Any employee who knowingly violates this section shall  
2 be subject to the administrative fines set forth in section  
3 84-39. Any favorable action obtained by a relative or household  
4 member of an employee in violation of this section shall be  
5 voidable in accordance with sections 84-16 and 84-19.

6       (g) This section shall not affect the applicability of  
7 section 84-13 or 84-14.

8       (h) This section shall not prohibit a state agency from  
9 appointing, hiring, promoting, retaining, demoting, discharging,  
10 or terminating a relative or household member of an employee  
11 employed by the agency.

12       (i) Notwithstanding sections 84-2 and 84-3, this section  
13 shall not apply to employees or agencies of the legislative or  
14 judicial branch of the State.

15       (j) For purposes of this section:

16       "Household member" means an individual who resides in the  
17 same dwelling unit as the employee.

18       "Relative" means the employee's parent, grandparent,  
19 stepparent, child, grandchild, stepchild, foster child, adopted  
20 child, sibling, half-sibling, stepsibling, parent's sibling,  
21 first cousin, sibling's child, spouse, spouse's parent,



1 child-in-law, or sibling-in-law, or any individual who has  
2 become a member of the employee's immediate family through the  
3 Hawaiian hanai custom."

4 SECTION 2. If any provision of this Act, or the  
5 application thereof to any person or circumstance, is held  
6 invalid, the invalidity does not affect other provisions or  
7 applications of the Act that can be given effect without the  
8 invalid provision or application, and to this end the provisions  
9 of this Act are severable.

10 SECTION 3. New statutory material is underscored.

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



**Report Title:**

Commission to Improve Standards of Conduct; Nepotism; State Employees; Administrative Fine

**Description:**

Prohibits under certain circumstances state employees from appointing, hiring, promoting, or retaining relatives and household members and from making or participating in certain other employment-related decisions and from awarding a contract to or otherwise taking official action on a contract with a business if the employee's relative or household member is an executive officer of or holds a substantial ownership interest in that business. Imposes administrative fines for violations. (CD1)

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

