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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) Beginning July 1,  
5 2023, no legislator or employee shall:

6           (1) Appoint, hire, or promote a relative or household  
7           member to, or demote, discharge, or terminate a  
8           relative or household member from; or

9           (2) Participate in an interview or discussion regarding  
10           the appointment, hiring, or promotion of a relative or  
11           household member to, or the demotion, discharge, or  
12           termination of a relative or household member from,  
13 a paid position in the legislator's or employee's employing  
14 agency; provided that this subsection shall not prohibit a  
15 legislator or employee from performing ministerial acts that may  
16 impact the relative or household member if those acts are a part  
17 of the normal job functions of the legislator or employee.



1        (b) Beginning July 1, 2023, no legislator or employee  
2 shall supervise a relative or household member unless:

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

9        (2) The legislator or employee disqualifies the  
10 legislator's or employee's self from taking any  
11 official action directly affecting the relative or  
12 household member.

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

19        (d) Notwithstanding the prohibitions in this section, if  
20 an employee who is a supervisor or executive director is unable  
21 to waive or disengage from completing their official duties or



1 from taking official action and is legally required to take  
2 action that directly impacts a relative or household member  
3 receiving an award or other official action on a contract  
4 described in subsection (c), the employee shall not be in  
5 violation of this section if the employee:

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

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

20 (e) Upon application, the state ethics commission may  
21 grant an exception to a legislator, employee, or agency that is



1 unable to comply with this section for good cause, including a  
2 demonstrated lack of qualified personnel or applicants.

3 (f) Any legislator or employee who knowingly violates this  
4 section shall be subject to the administrative fines set forth  
5 in section 84-39. Any favorable action obtained by a relative  
6 or household member of a legislator or employee in violation of  
7 this section is voidable in accordance with sections 84-16 and  
8 84-19.

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

11 (h) This section shall not prohibit a state agency from  
12 appointing, hiring, promoting, discharging, firing, or demoting  
13 a relative or household member of a legislator or employee  
14 employed by the agency.

15 (i) For purposes of this section:

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

18 "Relative" means the legislator's or employee's parent,  
19 grandparent, stepparent, child, grandchild, stepchild, brother,  
20 sister, half-brother, half-sister, stepbrother, stepsister,  
21 uncle, aunt, first cousin, nephew, niece, spouse, spouse's



1 parent, son-in-law, daughter-in-law, brother-in-law, or  
2 sister-in-law."

3 SECTION 2. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun before its effective date, and does not apply to any  
6 legislator or employee whose employment was terminated before  
7 the effective date of this Act.

8 SECTION 3. If any provision of this Act, or the  
9 application thereof to any person or circumstance, is held  
10 invalid, the invalidity does not affect other provisions or  
11 applications of the Act that can be given effect without the  
12 invalid provision or application, and to this end the provisions  
13 of this Act are severable.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2023.

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INTRODUCED BY:



By Request

JAN 17 2023



# H.B. NO. 139

**Report Title:**

State Ethics Commission Package; Public Employment; Nepotism; Prohibition

**Description:**

Prohibits a legislator or public employee from naming, appointing, or hiring a relative for public employment. Prohibits a legislator or public employee from supervising a relative in public employment. Prohibits a legislator or employee from awarding a contract to a relative.

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