
A BILL FOR AN ACT

RELATING TO NEPOTISM.

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

1 SECTION 1. The legislature recognizes the importance of
2 maintaining transparency, accountability, and fairness in
3 government operations. While existing laws prohibit most state
4 employees from hiring or supervising relatives or awarding
5 contracts to businesses owned by relatives or household members,
6 these provisions do not currently extend to employees of the
7 legislative and judicial branches.

8 Accordingly, the purpose of this Act is to subject
9 legislative and judicial employees to the same ethical standards
10 as other state employees, effectively preventing nepotism across
11 all branches of state government.

12 SECTION 2. Section 84-13.2, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "~~§~~84-13.2~~§~~ **Nepotism; prohibition.** (a) No employee
15 shall:



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

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

14 (b) No employee shall supervise a relative or household
15 member unless the employee:

- 16 (1) Has a physical impairment requiring the employment of
17 a particular relative or household member; provided
18 that the employee discloses the prospective employment
19 to the state ethics commission before the appointment
20 or hire is made; or



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

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

8 (d) Notwithstanding the prohibitions in this section, if
9 an employee who is a supervisor or executive director is unable
10 to waive or disengage from completing their official duties or
11 from taking official action and is legally required to take
12 action that directly impacts a relative or household member
13 receiving an award or other official action on a contract
14 described in subsection (c), the employee shall not be in
15 violation of this section if the employee:

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

18 (2) Posts a notice of intent to award the contract and
19 files a copy of the notice with the state ethics
20 commission at least five days before awarding the
21 contract. If the posting and filing of the award in



1 advance is otherwise prohibited by law, notice shall
2 be posted and filed as soon as practicable. Every
3 notice of intent shall describe the employee's
4 relationship with the relative or household member,
5 the relative or household member's relationship with
6 the entity receiving the contract, action taken and to
7 be taken affecting the relative or household member's
8 business, and the dollar value of the contract.

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

13 (f) Any employee who knowingly violates this section shall
14 be subject to the administrative fines set forth in section
15 84-39. Any favorable action obtained by a relative or household
16 member of an employee in violation of this section shall be
17 voidable in accordance with sections 84-16 and 84-19.

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

20 (h) This section shall not prohibit a state agency from
21 appointing, hiring, promoting, retaining, demoting, discharging,



1 or terminating a relative or household member of an employee
2 employed by the agency.

3 ~~[(i) Notwithstanding sections 84-2 and 84-3, this section~~
4 ~~shall not apply to employees or agencies of the legislative or~~
5 ~~judicial branch of the State.~~

6 ~~(j)]~~ (i) For the purposes of this section:

7 "Employee" means any nominated, appointed, or elected
8 officer or employee of the State, including members of boards,
9 commissions, and committees, and employees under contract to the
10 State or constitutional convention, including legislators,
11 delegates to the constitutional convention, justices and judges,
12 and their respective employees.

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

15 "Relative" means the employee's parent, grandparent,
16 stepparent, child, grandchild, stepchild, foster child, adopted
17 child, sibling, half-sibling, stepsibling, parent's sibling,
18 first cousin, sibling's child, spouse, spouse's parent, child-
19 in-law, or sibling-in-law, or any individual who has become a
20 member of the employee's immediate family through the Hawaiian
21 hanai custom."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

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



S.B. NO. 2661
S.D. 1

Report Title:

Legislative and Judicial Employees; Code of Ethics; Nepotism;
Prohibition

Description:

Repeals language in the State's Code of Ethics that exempts the legislative and judicial branches from prohibitions against nepotism in public employment. (SD1)

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