
A BILL FOR AN ACT

RELATING TO STANDARDS OF CONDUCT.

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

1 SECTION 1. Section 84-15, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§84-15 Contracts.** (a) A state agency shall not enter
4 into any contract to procure or dispose of goods or services, or
5 for construction, with a legislator, an employee, or a business
6 in which a legislator or an employee has a controlling interest,
7 [~~involving services or property of a value in excess of \$10,000~~]
8 unless:

9 (1) The contract is awarded by competitive sealed bidding
10 pursuant to section 103D-302;

11 (2) The contract is awarded by competitive sealed proposal
12 pursuant to section 103D-303; or

13 (3) The agency posts a notice of its intent to award the
14 contract and files a copy of the notice with the state
15 ethics commission at least ten days before the
16 contract is awarded.



1 (b) A state agency shall not enter into a contract with
2 any person or business [~~which~~] that is represented or assisted
3 personally in the matter by a person who has been an employee of
4 the agency within the preceding two years and who participated
5 while in state office or employment in the matter with which the
6 contract is directly concerned. This subsection shall not apply
7 to any contract that is awarded in accordance with subsection
8 (a) with a person or business represented or assisted by a
9 person who was a member of a task force or served as the
10 designee or representative of a task force member.

11 (c) A state agency shall not enter into a contract to
12 procure or dispose of goods or services, or for construction,
13 with any business:

14 (1) That is owned or operated; or

15 (2) In which a controlling interest is held,
16 by a relative or household member of a department head or deputy
17 director of a principal state department.

18 (d) The department head or acting department head of a
19 principal state department, and any deputy director of the
20 department, shall be responsible for ensuring that all contracts
21 entered into by the department comply with this section.



1 (e) Any violation of this section may be assessed against
2 the department head, acting department head, or deputy director
3 of the department at the time the violation occurred, and
4 against any employee who directly committed, participated in, or
5 authorized the violation.

6 (f) As used in this section:

7 "Department head" means the head of a principal state
8 department regardless of specific title, including a director,
9 chairperson, superintendent, comptroller, or other chief
10 administrative officer.

11 "Household member" means an individual who resides in the
12 same dwelling unit as the department head or deputy director of
13 a principal state department.

14 "Principal state department" means a principal department
15 of the executive branch listed in section 26-4.

16 "Relative" means a department head's or deputy director's
17 parent, grandparent, stepparent, child, grandchild, stepchild,
18 foster child, adopted child, sibling, half-sibling, stepsibling,
19 parent's sibling, first cousin, sibling's child, spouse,
20 spouse's parent, child-in-law, or sibling-in-law, or any
21 individual who has become a member of the department head's or



1 deputy director's immediate family through the Hawaiian hanai
2 custom."

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.

6 SECTION 3. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Code of Ethics; Prohibited Contracts; Principal State
Department; Relatives and Household Members; Responsibility;
Violations

Description:

Repeals the \$10,000 value threshold for certain prohibited contracts involving legislators or employees. Prohibits state agencies from contracting to procure or dispose of goods or services, or for construction, with businesses owned, operated, or controlled by relatives or household members of department heads or deputy directors. Requires department heads, acting department heads, and deputy directors of principal state departments to ensure compliance with the Code of Ethics provision governing contracts and provides for liability for violations. Effective 7/1/3000. (HD1)

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